

**OUACHITA PARISH SCHOOL BOARD****SINGLE AUDIT REPORTING PACKAGE  
YEAR ENDED JUNE 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/19/11

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SINGLE AUDIT REPORTING PACKAGE  
JUNE 30, 2010**

**TABLE OF CONTENTS**

	<u>Page</u>
Table of Contents -----	i
Financial Section	
Independent Auditors' Report -----	1
<b>Required Supplemental Information (Part A)</b>	
Management's Discussion and Analysis (MD&A)-----	5
<b>Basic Financial Statements</b>	
Government – Wide Financial Statements (GWFS):	
Statement of Net Assets -----	26
Statement of Activities -----	27
Fund Financial Statements (FFS):	
Governmental Funds:	
Balance Sheet -----	30
Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Assets -----	31
Statement of Revenues, Expenditures, and Changes in Fund Balance -----	34
Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures, Changes in Fund Balances to the Statement of Activities ---	35
Proprietary Fund – Internal Service Fund:	
Comparative Statement of Net Assets -----	40
Comparative Statement of Revenues, Expenses and Changes in Net Assets -----	41
Comparative Statement of Cash Flows -----	43
Fiduciary Funds – Agency Funds:	
Comparative Statement of Assets and Liabilities -----	45

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SINGLE AUDIT REPORTING PACKAGE  
JUNE 30, 2010**

**TABLE OF CONTENTS**

	<u>Page</u>
Notes to the Basic Financial Statements:	
Index -----	47
Notes -----	49
<b>Required Supplemental Information (Part B)</b>	
Budgetary Comparison Schedule -----	91
General Fund (Non-GAAP Basis) -----	92
Major Special Revenue Funds With Legally Adopted Budgets (GAAP Basis):	
District #1 Sales Tax -----	93
Notes to Budgetary Comparison Schedules -----	94
<b>Other Supplemental Information</b>	
Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> -----	99
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A – 133 -----	101
Schedule of Expenditures of Federal Awards -----	103
Notes to Schedule of Expenditures of Federal Awards -----	107
Schedule of Findings and Questioned Costs -----	109
Summary Status of Prior Year Findings -----	113
School Board Members' Compensation-----	117

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Philip A. Ragsdale, CPA  
David Ray Soignier, CPA, MBA

John Herman, CPA  
Lynn Andries, CPA  
Esther Atteberry, CPA  
Sandra Harrington, CPA

## INDEPENDENT AUDITORS' REPORT

### **Ouachita Parish School Board Monroe, Louisiana**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Ouachita Parish School Board** (the School Board) as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Ouachita Parish School Board, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2010 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on

**Ouachita Parish School Board  
Independent Auditors' Report**

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The "Management's Discussion and Analysis" presented on pages 5 through 21 and the "Budgetary Comparison Schedules" presented on pages 91 through 95 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ouachita Parish School Board's basic financial statements. The Other Supplemental Information (including the Schedule of Expenditures of Federal Awards) as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Other Supplemental Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Jeffrey Huffman, Registered Accountant*

(A Professional Accounting Corporation)

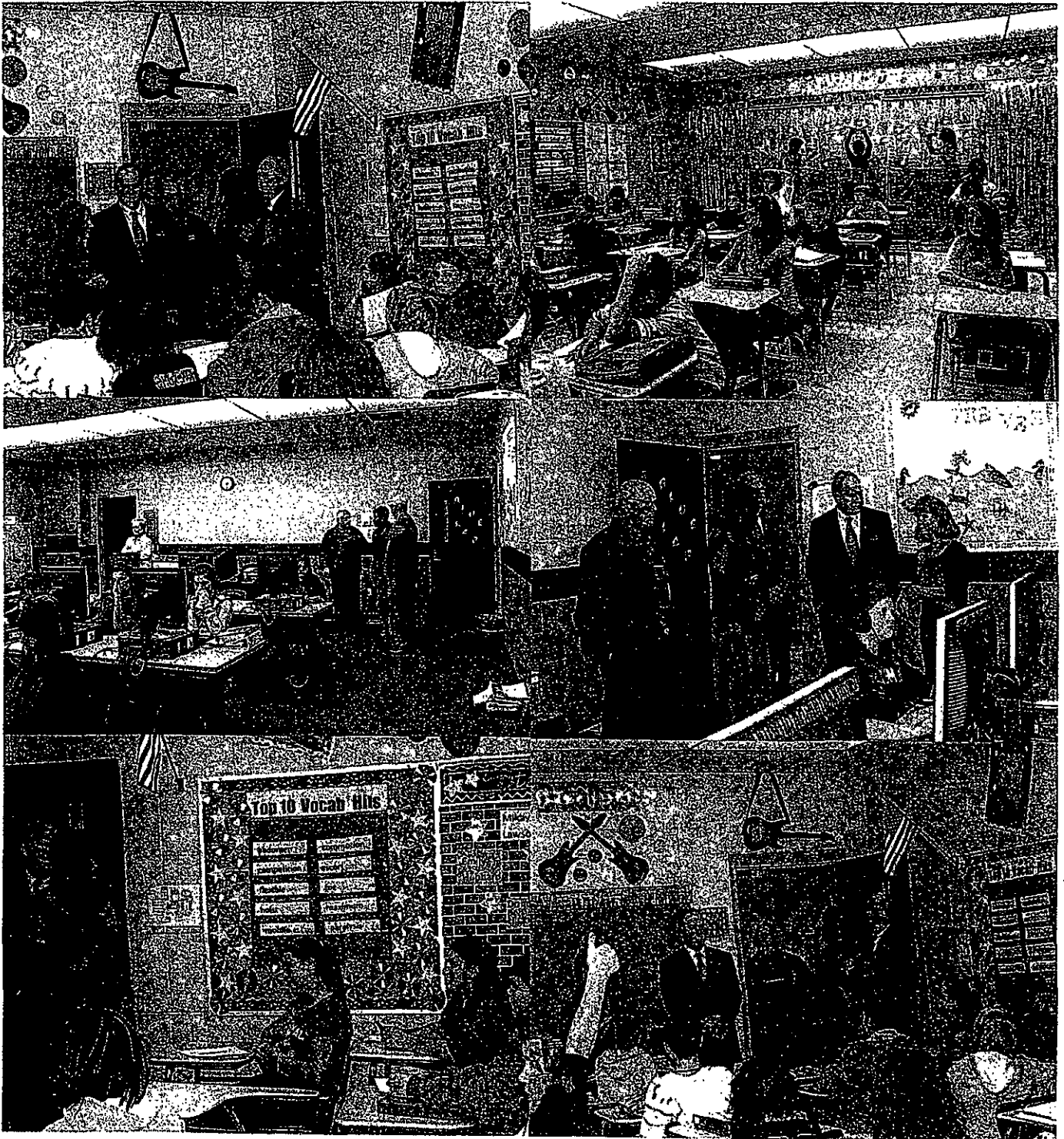
**December 27, 2010**

**Ouachita Parish School Board  
Monroe, Louisiana**

**Fiscal Year Ended June 30, 2010**

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART A)**

# LA Deputy Superintendent of Education Ollie Tyler Visits Calhoun Middle School



**OUACHITA PARISH SCHOOL BOARD**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended June 30, 2010**

Management's discussion and analysis of the Ouachita Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the Notes to the Basic Financial Statements, and the financial statements, which are all included in this report, to enhance their understanding of the Ouachita Parish School Board's financial performance.



**Financial Highlights**

The following is a summary of events impacting the finances of the School Board during the 2009-10 fiscal year:

- Local ad valorem taxes in the General Fund increased by \$1,364,877 or 10.22 percent due to increased property assessments and new construction. This shows the strength of the real estate market in our region during this time of economic recovery.
- Local sales tax revenues district-wide decreased by \$2,341,584 or 6.2%. This shows we are not immune to the impact of the declines in the national, state, and local economy.
- State funding through the Minimum Foundation Program (MFP) decreased by \$2,441,832 from \$113,854,421 in the prior year to \$111,412,589 due to the State not fully funding the MFP formula with state appropriations.
- Federal State Fiscal Stabilization Funds (SFSF), federal stimulus totaling \$3,454,352, were received to fund the shortfall in State MFP funds.
- The School Board received and utilized \$7,821,306 of federal stimulus funds, including SFSF, authorized by the American Recovery and Reinvestment Act of 2009 (ARRA) for specific federal program activities. Supplemental schedules are included on pages 121 through 123 of this report to identify the specific programs funded by ARRA during the fiscal year.
- The General Fund reported a decrease for the year in fund balance of \$558,694 from \$17,870,077 to \$17,311,383. The fund balance at June 30, 2010 is 13.6% of General Fund expenditures, which remains within the 10-15% minimum fund balance requirement set by School Board policy.
- The East Ouachita Bond District sold \$9.2 million in general obligation bonds for new construction and renovations.
- The West Ouachita Bond District sold \$10 million in revenue bonds for new construction and renovations.
- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was early implemented for the fiscal year ended June 30, 2010. The



purpose of this change in reporting fund balances is to help management and citizens to better understand the constraints placed on its resources by providing a more structure classification of fund balances.

- Intangible capital assets are reported in the Government-wide financial statements in accordance GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, to provide more consistent financial reporting of intangible assets among all governments. The School Board's intangible assets consist solely of software purchased for instructional and administrative uses.



### ***Using this Comprehensive Annual Financial Report (CAFR)***

This CAFR consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Ouachita Parish School Board as a whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Also included in the financial statements are the Fund Financial Statements, which report on governmental activities of the School Board. These statements provide more detail than the Government-wide Financial Statements about the services that were financed in the short-term as well as what remains for future spending in the School Board's more significant funds as well as all other nonmajor funds. The General Fund is the Ouachita Parish School Board's most significant fund.



### ***Reporting the School Board as a Whole***

#### **Statement of Net Assets and the Statement of Activities**

The Statement of Net Assets and the Statement of Activities report information about the School Board as a whole and its activities to inform the reader of the School Board's financial performance during the 2010 fiscal year. In short, is the School Board better off financially or is it worse off financially than it was this time last year? These statements report all assets and liabilities of the School Board on the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting reports all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the School Board as a whole, the financial position of the School Board improved or declined. The

causes of this change may be the result of many factors, some financial, some not. Non-financial factors affecting the School Board include the parish's sales and property tax bases and the state and federal government's continued funding.

The Statement of Net Assets and the Statement of Activities report the governmental activities of the School Board. Most of the School Board's programs and services are reported here including instruction, support services, operating and maintenance of plant, student transportation, and feeding programs.



## *Reporting the School Board's Most Significant Funds*

### **Fund Financial Statements**

The analysis of the School Board's major funds begins on page 30. Fund Financial Statements provide detailed information about the School Board's major funds. The School Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School Board's most significant funds. The School Board's major governmental funds are the General Fund, the District #1 Sales Tax Special Revenue Fund, and the East Ouachita 2009 Construction Capital Projects Fund.

The West Ouachita Bond No. 2 Debt Service Fund was not a major fund in 2009-10 as it was in 2008-09 because in 2008-09 the West Bond District's 1998 and 1999 revenue bonds were refinanced. The East Ouachita 2009 Construction Capital Projects Fund remained a major fund in 2009-10 due to the East Ouachita Bond District selling \$9.2 million in general obligation bonds in 2009-10 for construction and renovations in the district.

### **Governmental Funds**

Most of the School Board's activities are reported as Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Funds' statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental Fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

The School Board early implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, for the fiscal year ended June 30, 2010. Because

GASB 54 also clarifies the definition of existing governmental fund types, some funds were reclassified and transferred from one fund classification to another in this report. The Medicaid and Kid Med Funds previously reported in the General Fund are now reported as State Grants Special Revenue Funds. The Air Conditioning Fund previously reported as a Special Revenue Fund and the Gifted and Talented and Act 13 Special Education Funds previously reported as State Grants Special Revenue Funds are now reported in the General Fund in the 2009-10 financial statements. Note 1.C. to the Financial Statements provides more detail of these changes. As a result of these changes, comparisons made to the prior year Governmental Funds General Fund and Special Revenue Funds financial statements will not be true comparable data.

### **Proprietary Funds**

The School Board is self-insured for workers' compensation and general liability insurance coverage, and maintains policies with large deductibles for property and fleet vehicle insurance. A summary of the School Board's insurance coverage at June 30, 2010, has been included in the Statistical Section in the schedule titled "Insurance Coverage Data". Transactions related to meeting the claims incurred in these areas are accounted for in the Internal Service Proprietary Fund. Expenses in the Internal Service Fund are recognized as claims are incurred. Liabilities are recognized for incurred but unpaid claims. The Internal Service Proprietary Fund transactions are reported on pages 40 through 43 in a separate section consisting of a Comparative Statement of Net Assets; a Comparative Statement of Revenues, Expenses, and Changes in Net Assets; and a Comparative Statement of Cash Flows.



### ***The School Board as Trustee***

### **Reporting the School Board's Fiduciary Responsibilities**

The School Board is the trustee, or fiduciary, for its student activity funds and the Migrant Education funds of certain other parishes. All of the School Board's fiduciary activities are reported in a separate Comparative Statement of Fiduciary Assets and Liabilities on page 45. These activities have been excluded from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **The School Board as a Whole**

The School Board's net assets decreased by only \$71,309 from \$99.3 million (restated at June 30, 2009) to \$99.3 million at June 30, 2010. Of the \$99.3 million of net assets at June 30, 2010, \$15.9 million were restricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. The following

analysis focuses on the net assets (Table 1) and change in net assets (Table 2) of the School Board's governmental activities.

**Table 1**  
**Governmental Activities**  
**Net Assets**  
**June 30, 2010 and June 30, 2009**  
**(in Millions)**

	<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>Assets</b>		
Current and other assets	<b>\$110.8</b>	<b>\$108.9</b>
Capital assets	<b>217.1</b>	<b>199.3</b>
Total assets	<b>327.9</b>	<b>308.2</b>
<b>Liabilities</b>		
Current and other liabilities	<b>24.7</b>	<b>23.1</b>
Long-term liabilities	<b>203.9</b>	<b>185.8</b>
Total liabilities	<b>228.6</b>	<b>208.9</b>
<b>Net assets</b>		
Invested in capital assets, net of related debt	<b>100.1</b>	<b>88.8</b>
Restricted	<b>15.9</b>	<b>17.6</b>
Unrestricted	<b>(16.7)</b>	<b>(7.1)</b>
Total net assets	<b>\$99.3</b>	<b>\$99.3</b>

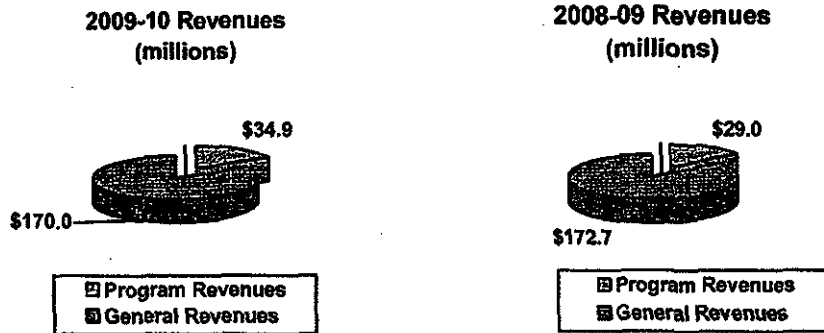
The negative balance of \$16.7 million in unrestricted net assets represents the accumulated results of all past years' operations. In theory, it means that if we had to pay off all of our bills today including all of our noncapital liabilities and sold all of our assets at their current value, we would not have enough funds to pay off all of our debt by \$16.7 million. This negative balance of unrestricted net assets is primarily attributed to unfunded liabilities of \$45.8 million for other post employment benefits (OPEB) and \$6.6 million in employee compensated absences for accrued annual and sick leave. These liabilities are further described in Notes 1.M., 9 and 12.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities on page 27. Table 2 reports the information from the Statement of Activities in a different format so that total revenue for the year can be more easily identifiable.

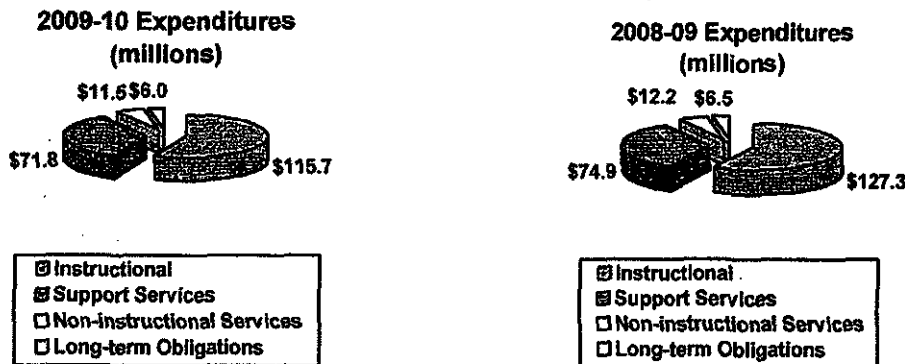
**Table 2**  
**Governmental Activities**  
**Changes in Net Assets**  
**Fiscal Years Ended June 30, 2010 and 2009**  
(in millions)

	Year Ended June 30,	
	2010	2009
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$2.3	\$2.4
Local grants	1.2	.9
State grants and entitlements	4.1	8.1
Federal grants	27.3	17.6
General revenues:		
Ad valorem taxes	20.0	18.0
Sales taxes	35.3	37.7
State Minimum Foundation Program	111.3	112.2
Interest on investments	.5	1.9
Other general revenues	2.9	2.9
Total revenues	<u>204.9</u>	<u>201.7</u>
<b>Functions/Program Expenses:</b>		
Instruction:		
Regular programs	81.7	92.8
Special education programs	22.1	24.0
Vocational programs	2.1	2.0
Other instructional programs	2.4	2.1
Special programs	6.7	5.9
Adult/continuing education	.7	.5
Support services:		
Pupil support services	8.8	8.9
Instructional staff support services	12.4	12.1
General administration	1.8	1.3
School administration	11.1	11.9
Business services	2.9	3.3
Plant services	22.3	22.9
Student transportation services	9.7	11.1
Central services	2.8	3.4
Noninstructional services:		
Food services operations	11.4	12.1
Community services programs	.1	.1
Long-term obligations:		
Interest on long-term obligations	6.0	6.5
Total expenses	<u>205.0</u>	<u>220.9</u>
Decrease in net assets	<u><u>(\$1)</u></u>	<u><u>(\$19.2)</u></u>

Ouachita Parish School Board's 2009-10 revenues compared to 2008-09 revenues are presented below:



Ouachita Parish School Board's 2009-10 expenditures compared to 2008-09 expenditures are presented below:



### Governmental Activities

As reported in the Statement of Activities on page 27, net assets of the School Board decreased by \$0.1 million. The following factors helped contribute to this net decrease:

Major changes in 2009-10 revenues:

- Increase in ad valorem taxes - Ad valorem taxes in the parish have been increasing at a steady rate for the last several years. Property values in the parish have been increasing due to new construction and valuing previously constructed houses at current market value. In 2009-10, overall ad valorem tax revenue increased approximately 11.25 percent over the previous year.
- Decrease in sales tax collections - Sales tax collections decreased approximately 6.21 percent in 2009-10. The general economy of the parish decreased for the first time in many years in 2009-10. The local economy has slowed down as has the national economy.
- Decrease in MFP funding by the State - In 2009-10 the State did not fully fund the MFP formula, resulting in a decrease of \$2,441,832 in MFP funding. The

State allocated \$3,454,352 of federal State Fiscal Stabilization Funds (stimulus) to help to fully fund the MFP formula and prevent job losses.

- Increase in federal funds – The School Board received \$9.7 million in additional federal funds, of which approximately \$7.8 million was from American Recovery and Reinvestment Act funds (ARRA) for Title I, IDEA B, State Fiscal Stabilization Funds, Educational Technology, Homeless, and Child Nutrition Equipment.

**Major changes in the cost of governmental activities:**

- Other post employment benefits (OPEB) annual required contribution (ARC) decreased by \$14,144,393. In 2009-10 the School Board was required to obtain an actuarial re-valuation of its accrued unfunded OPEB liability and ARC in accordance with GASB 45. The previous actuarial valuation established an ARC of \$25,522,412 while the current actuarial valuation determined the ARC should be \$11,378,019. This was the only major change in the cost of governmental activities in the 2009-10 fiscal year.

**Major changes in capital assets and debt:**

- Increase in investment in capital assets, net of related debt - Capital assets, net of related debt increased by approximately \$12.5 million. The increase was due to issuing additional debt of \$19.2 million. This increase was offset by the large increase in capital assets. Capital projects were larger than usual in order to comply with the qualified school construction bonds (QSCB) requirement that the bond funds must be obligated within three years.
- Increase in outstanding bonded debt – Long-term outstanding bonded debt of the School Board had a net increase of \$12.2 million as the result of selling \$9.2 million of general obligation bonds and \$10 million of revenue bonds.

The cost of governmental activities exceeding restricted state and federal grants and charges for services must be paid by the citizens of Ouachita Parish and with unrestricted state grants. The following presentation shows the portion of governmental activities that must be paid by the citizens of Ouachita Parish and unrestricted state grants compared to the 2008-09 fiscal year.

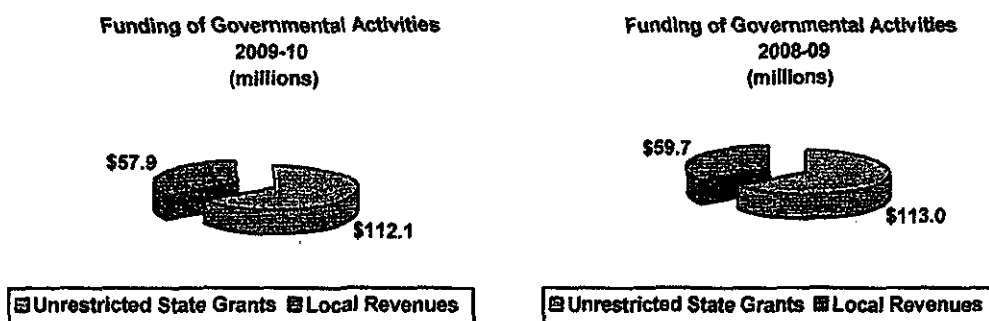


Table 3 presents the total cost of each of the School Board's five largest functions – regular programs, special education programs, instructional staff support services, plant services, and food service operations as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**  
**Year Ended June 30, 2010**  
**Governmental Activities**  
**(in millions)**  
**(With Comparative Totals For the Year Ended June 30, 2009)**

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
Regular programs	\$81.7	\$92.8	\$79.4	\$90.9
Special education programs	22.1	24.0	19.1	21.1
Instructional staff support services	12.4	12.1	5.2	7.3
Plant services	22.3	22.9	22.0	21.9
Food service operations	11.4	12.1	2.8	4.1
Subtotal	149.9	163.9	128.5	145.3
All others	55.1	57.0	41.7	46.6
Total	\$205.0	\$220.9	\$170.2	\$191.9

### **The School Board Funds**

The School Board uses funds to help it control and manage money for particular purposes. Accounting for money for particular purposes in different funds helps the reader to determine whether the School Board is being accountable for the resources taxpayers and others provide to it, and it may also give the reader more insight into the School Board's overall financial health.

The School Board's governmental funds had a fund balance of \$80,327,906 at June 30, 2010, which is a decrease of \$2,875,429 over the previous year's fund balance. The primary reasons for the change are:

**General Fund** – The General Fund, the principal operating fund of the School Board, decreased its fund balance by \$558,694 from \$17,870,077 at June 30, 2009 to \$17,311,383 at June 30, 2010. This represents a 3.13 percent decrease in fund balance. The School Board adopted a formal policy that stated that the General Fund's fund balance should be maintained between 10 and 15 per cent of General Fund expenditures. The current balance of 13.7 percent is within the fund balance limits set by the Board.



Revenue in the General Fund had a net decrease of \$2,718,529. Ad valorem taxes were up \$1,364,877. The increase in ad valorem taxes was due to an increase in property assessment values and new construction. The state MFP funding and interest earnings decreased by \$2,441,832 and \$376,407, respectively. The MFP funding was down due to the State Legislature not fully funding the MFP formula. Interest earnings were down due to declining investment rates.

General Fund expenditures decreased by \$2,858,366 or 2.21 percent. Expenditures for salaries and related benefits, which consist of 88.1 percent of total General Fund expenditures, were the main reason for the decrease in expenditures. General Fund salaries and related benefits decreased by \$4.4 million. The decrease in General Fund salaries and related benefits is due to salaries and benefits being transferred to State Fiscal Stabilization Funds of \$3.4 million and American Recovery and Reinvestment Act Funds (ARRA) of \$1.2 million. This decrease netted with other increases in fixed costs, such as employer paid health insurance premiums, resulted in the overall decrease in General Fund expenditures.

As stated previously, due to implementing GASB 54 reporting changes of various funds, comparisons made to the prior year General Fund revenues and expenditures are not truly comparable.

**District #1 Sales Tax Special Revenue Fund** – The fund balance of the District #1 Sales Tax Special Revenue Fund increased by \$2,900,876. The fund balance increased from \$14,408,004 at June 30, 2009 to \$17,308,880 at June 30, 2010. In 2009-10 sales tax collections decreased by \$418,115 or 6.77 percent, as compared to a 1.1 percent increase in 2008-09. Earnings on investments decreased by \$170,559 or 77.0 percent as interest rates continued to substantially decline in 2009-10. District #1 Sales Tax expenditures decreased by \$4,539,645. The main reason for the decrease in expenditures in the fund was due to the General Fund paying \$1.1 million of the alternative school's expenses, \$560,000 of technology expenses, and \$1.1 million of maintenance expenses that are normally paid by the District #1 Sales Tax Fund. Also, in 2008-09 the District #1 Sales Tax Fund paid \$1 million of health care benefits normally paid by the General Fund. This cost was paid by the General Fund in the 2009-10 fiscal year.

**East Ouachita 2009 Construction Capital Projects Fund** – The fund balance in the East Ouachita 2009 Construction Capital Projects Fund decreased by \$9.9 million as the result of spending \$19.4 million on construction projects in the bond district. This large increase in expenditures was partially offset by the Bond District issuing \$9.2 million of general obligation bonds and depositing the proceeds in the fund.

**Nonmajor Governmental Funds** – The nonmajor Other Governmental Funds had a net increase in their fund balances of \$4,682,135. The majority of increase in the fund balances is due to the Capital Projects Funds increasing their fund balances by a net of \$4,662,518. The net increase in fund balance in the Capital

Projects Funds was due to the West Ouachita 2009 Construction Fund issuing \$10 million of revenue bonds. This increase was offset by decreases in the fund balances of the West Ouachita 2008 and 2007 Construction Funds of \$4.9 million. The decrease was due to spending \$5.6 million on construction projects in these funds.

There were no significant changes in the nonmajor Special Revenue and Debt Service Funds' fund balances for the 2009-10 fiscal year. The Special Revenue Funds had a net increase in their fund balances of \$261,125 while the Debt Services Fund had a decrease in their fund balances of \$241,508.

### **General Fund Budgetary Highlights**

The School Board, in accordance with state law, must adopt a budget on the General Fund and all Special Revenue Funds by September 15. In accordance with state law the School Board may have variances of 5 percent of total revenues or expenditures in a fund before it is legally required to amend the budget. The School Board adopted its 2009-10 original budget on September 8, 2009, and revised the budget on June 1, 2010. Original estimated General Fund revenue increased by 1.3 percent or \$1.6 million. The major change in budgeted revenue was an increase in state funding (MFP) of \$2.1 million. The increase in MFP was due to an increase in the number of students and an increase in "at risk" students. Ad valorem tax revenue and earnings on investment revenue decreased by \$145,739 and \$255,000, respectively. The decrease was due to over estimating revenues.

The original estimated expenditures increased from the original budget to the final budget by \$974,963 or 0.8%. The main reason for the increase was additional funding for the Internal Service Fund.



### **Capital Assets and Debt Administration**

#### **Capital Assets**

Capital assets of the School Board used in performance of general School Board functions are recorded in the Fund Financial Statements as expenditures when purchased. The amount represents the original cost of the assets. Depreciation of capital assets is not recognized in the Fund Financial Statements, as explained in the Notes to the Basic Financial Statements. In the Government-wide Financial Statements the capital assets are recorded as assets at their original cost at the time of purchase or their fair market value, if donated. Depreciation of capital assets has been recognized in the Government-wide Financial Statements.

Intangible assets of the School Board are recorded in the Fund Financial Statements as expenditures when purchased. The amount represents the original cost of the assets. Amortization of intangible assets is not recognized in the Fund Financial Statements, as explained in Note 1.J. to the Basic Financial Statements. In the Government-wide

Financial Statements the intangible assets are recorded as assets at their original cost at the time of purchase or their fair market value, if donated. Amortization of intangible assets has been recognized in the Government-wide Financial Statements.

At June 30, 2010, as reported on the Statement of Net Assets, the School Board had \$217.1 million invested in land, buildings and improvements, furniture and equipment, and construction in progress, net of depreciation. Net capital assets increased by \$17.8 million or 8.9 percent during the current fiscal year. Net assets were increasing on an average of \$25 million per year from the year 2000 until about 2005 when construction slowed down and net assets started increasing by approximately \$1 million per year. In 2007-08 construction started again as the result of selling additional general obligation bonds and revenue bonds in each of the last three years. As a result, net assets have increased by an average of approximately \$12 million the last two years. Renovation and construction projects were the main reason for the \$17.8 million increase in capital assets. As stated previously, this was the first year of implementation of GASB 51, *Accounting and Financial Reporting for Intangible Assets*. As a result of GASB 51, \$1.2 million of intangible assets, net of amortization, are included in the 2009-10 financial statements.

Table 4 presents capital assets net of depreciation at June 30, 2010.

**Table 4**  
**Capital Assets at Year-end**  
**Net of Depreciation**  
**Governmental Activities**  
**(With Comparative Totals at June 30, 2009)**

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Land	\$6,067,839	\$6,067,839
Buildings and improvements	181,168,740	171,427,046
Furniture and equipment	10,145,781	11,755,873
Construction in progress – buildings	18,471,849	8,755,292
Intangibles	1,231,387	1,307,543
Total	<u>\$217,085,596</u>	<u>\$199,313,593</u>

#### **Debt**

At June 30, 2010, the School Board had \$149,576,692 in bonds and limited tax certificates of indebtedness outstanding, net of deferred amount of refunding and unamortized bond discount. Of the \$149,576,692 bonds and limited tax certificates of indebtedness outstanding, \$8,466,666 is due within one year. Table 5 summarizes bonds and limited tax certificates of indebtedness outstanding at June 30, 2010.

**Table 5**  
**Outstanding Debt**  
**June 30, 2010 and 2009**  
**Governmental Activities**

	June 30,	
	2010	2009
General obligation bonds:		
2000 East Ouachita – School improvements	\$ -	\$480,000
2005 East Ouachita – School improvements (refinanced 2000 bonds)	12,120,000	12,215,000
2006 East Ouachita – School improvements (refinanced 1999 bonds)	20,480,000	21,525,000
2007 East Ouachita – School improvements	9,315,000	9,540,000
2009 East Ouachita – School improvements	9,550,000	9,780,000
2009 East Ouachita – School improvements	9,570,000	9,785,000
2010 East Ouachita – School improvements	9,200,000	
Less deferred amount of refunding	-	(83,093)
Revenue bonds:		
1998 West Ouachita – School improvements	1,825,000	2,670,000
1999 West Ouachita – School improvements	1,545,000	2,275,000
2000 West Ouachita – School improvements	310,000	605,000
2001 West Ouachita – School improvements	6,200,000	6,445,000
2002 West Ouachita – School improvements	2,625,000	2,680,000
2006 West Ouachita – School improvements (refinanced 2000 bonds)	8,100,000	8,155,000
2007 West Ouachita – School improvements	11,015,000	11,500,000
2009 West Ouachita – School improvements	4,785,000	5,000,000
2010 West Ouachita – School improvements (refinanced 1998 and 1999 bonds)	29,390,000	29,490,000
2009 West Ouachita – School improvements	10,000,000	-
Less deferred amount of refunding	(493,308)	(644,048)
Unamortized bond discount	-	(334)
Limited tax certificates of indebtedness:		
2002 West Ouachita – School improvements	1,680,000	2,460,000
2003 West Ouachita – School improvements	2,360,000	3,460,000
Total	<u>\$149,576,692</u>	<u>\$137,337,525</u>

The proceeds of \$9.2 million of the 2010 East Ouachita Bond District general obligation bonds will be used to complete the construction of 2 middle schools and an agriculture/vocational center and to make renovations to the 10 schools in the district.

The proceeds of the West Ouachita Bond District 2009 revenue bonds of \$10 million will be used to make classroom additions to a school and to make renovations to the other schools in the district.

The state limits the amount of general obligation debt that school boards can issue to 35 percent of the assessed value of all taxable property within the school board's corporate limits. At June 30, 2010, East Ouachita Bond District's maximum legal debt limit was \$82,098,122. The District's outstanding general obligation bonded debt of \$70,235,000 is below the maximum debt limit.

The bond issues are rated as follows:

	<b><u>Standard &amp; Poor's Rating Service</u></b>
<b>General Obligation Bonds:</b>	
East Ouachita Bond - 2005 (Refinanced)	AA-
East Ouachita Bond - 2006 (Refinanced)	AA-
East Ouachita Bond - 2007	AA-
East Ouachita Bond - 2008	AA-
East Ouachita Bond - 2009	AA-
East Ouachita Bond - 2010	AA-
<b>Revenue Bonds:</b>	
West Ouachita Bond - 1998	AA-
West Ouachita Bond - 1999	AA-
West Ouachita Bond - 2000	AA-
West Ouachita Bond - 2001	AA-
West Ouachita Bond - 2002	AA-
West Ouachita Bond - 2006 (Refinanced)	AA-
West Ouachita Bond - 2007	AA-
West Ouachita Bond - 2008	AA-
West Ouachita Bond - 2009 (Refinanced)	AA-
West Ouachita Bond - 2009 (Refinanced)	AA-
<b>Limited Tax Certificates:</b>	
West Ouachita Bond - 2002	AA
West Ouachita Bond - 2003	AA

Other long-term obligations of the School Board include accrued vacation pay and sick leave and other post employment benefits. We present more detailed information about our long-term obligations in Notes 1.N. and 12 to the Basic Financial Statements.



**For the Future**

The Ouachita Parish School Board is strong financially. We feel that we will be able to meet the future financial needs of the system. The State Legislature voted not to increase the 2010-11 MFP funding for the 2.75 percent growth factor provided in the MFP formula for the second straight year. The Legislature did not fully fund the MFP formula

for all school systems by approximately \$130 million in 2008-09. The State was able to receive federal State Fiscal Stabilization Funds authorized under ARRA to cover the \$130 million not funded by the Legislature. In 2010-11 the Legislature fully funded the formula with State appropriated funds, except for the 2.75 percent growth factor. Even though the Legislature did not include the growth factor in the MFP funding, our 2010-11 MFP funding will increase by approximately \$1.5 million as a result of an increase in students of 200 at mid-year. Property values have been increasing by approximately 7 percent over the last few years. Ad valorem taxes in the General Fund are expected to increase by 5.6 percent in 2010-11, based on data received from the tax assessor.

Our Federal grants have been increasing over the last 3 years. In 2009-10 our federal grant revenue increased by \$5.3 million, excluding State Fiscal Stabilization Funds. In 2010-11 State Fiscal Stabilization Funds are not longer available to us. Excluding the loss of these funds, we do anticipate the level of federal revenues to remain about the same as the previous year. However, in the 2011-12 fiscal year, ARRA funds will no longer be an available resource to fund the federal programs and activities created over the previous two years. We are in the second and final year of our ARRA funds award period. There are over 30 staffing positions currently funded with the use of ARRA funds. To address the ARRA funding cliff in 2010-11, management is currently evaluating its resources and developing a plan to transition these positions into other program areas to address district educational needs, with the last resort being termination of jobs.

Other concerns in 2010-11 are investment rates and our sales tax revenues. We are anticipating interest rates to stay low throughout the year. We are watching our sales tax revenues closely to see how they will be affected by the recovering economy. During the first three months of 2010-11 sales tax collections have increased compared to the 2009-10 year. We are optimistic that this trend will continue for at least part of the 2010-11 year.

Retirement costs are also on the rise as a result of poor investment returns in the current market. For 2010-11, employer contribution rates for the Louisiana Teacher's Retirement System (TRSL) and the Louisiana School Employees' Retirement System (LSERS) increased from 15.5% to 20.2% and from 17.6% to 24.3%, respectively. This is a 30.3% and 38.0% increase, respectively, in employer retirement contribution payments in 2010-11 for an estimated increase of \$4 million in total combined retirement cost, and it is anticipated this cost will increase by another \$3 million in 2011-12.

The local economy appears to be rebounding as the result of a \$12 billion dollar purchase of Qwest Communications by CenturyLink making it the third largest telecom in the United States. The local housing market is continuing to grow around six percent and the unemployment rate continues to be well below the national average at seven percent.

Other than the increase in retirement cost, we do not anticipate any large or unusual expenditures to occur in the 2010-11 fiscal year. At present, fuel cost, utilities, and health care costs are expected to only have minimal increases in 2010-11. Funding of the MFP in future years is currently uncertain due to the impact of the weakened economy on out state's budget. We have started preparing for the future by trying to only increase

**THIS PAGE WAS INTENTIONALLY LEFT BLANK.**

instructional staff when the pupil teacher ratio warrants it and only employing support staff if there is a vacancy that cannot be absorbed by current staffing.

The General Fund's fund balance at June 30, 2010, was \$17.3 million or 13.7 percent of 2009-10 expenditures. The School Board would like to keep the fund balance between 10 percent and 15 percent of General Fund expenditures. The Board has maintained the General Fund's fund balance within the limits it established since the policy was adopted three years ago.

On November 2, 2010, the School Board authorized the sale and issuance of \$8.6 million Revenue Bonds, Series 2010 to refinance the Series 2001 and Series 2002 Revenue Bonds resulting in a net savings of approximately \$650,000 to the West Ouachita Bond District.

In November 2010, the West Ouachita Bond District applied for and received \$10 million in Qualified School Construction Bonds (QSCBs). It appears the School Board may again be authorized to issue the QSCB. If the Board is authorized to issue the bonds, the proceeds from the bonds will be used for various renovation and construction projects in the Bond District.

As discussed previously, the Ouachita Parish School Board has been building and/or remodeling all of its schools during the last ten years. When this project is complete, we will have some of the best facilities in the state to educate our children; thus, aiding in the reduction of overcrowding in our schools. We feel that a good learning environment is crucial to helping students reach their educational potential. Overall, we feel that the future of Ouachita Parish School Board is good financially, as well as educationally.



#### **Contacting the School Board's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information contact Richie Garrett, Business Manager of Ouachita Parish School Board, P.O. Box 1642, Monroe, LA 71210-1642 or call at (318) 432-5000 or e-mail to [garrett@opsb.net](mailto:garrett@opsb.net).





**COMMITTED**  
*to Academic Excellence  
for ALL Students!*

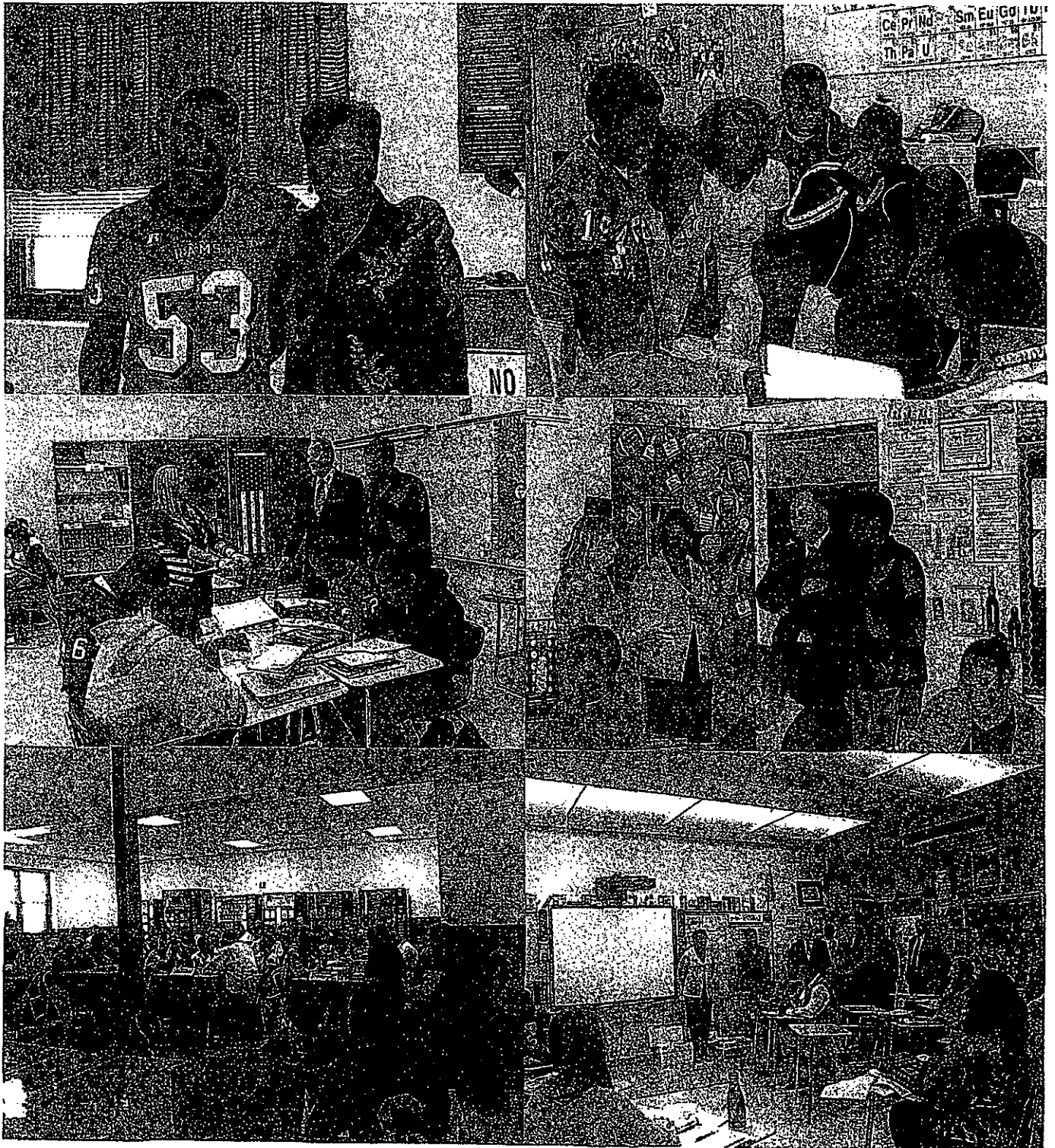
*Our Mission:  
Through collaboration  
among all stakeholders, the  
Ouachita Parish School System  
will ensure that all students attain  
the knowledge and skills needed  
to be productive citizens.*

**Ouachita Parish School Board  
Monroe, Louisiana**

**Fiscal Year Ended June 30, 2010**

**BASIC FINANCIAL STATEMENTS**

# LA Deputy Superintendent of Education Ollie Tyler Visits Richwood High



**Ouachita Parish School Board  
Monroe, Louisiana**

**Fiscal Year Ended June 30, 2010**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**Ouachita Parish School Board  
Monroe, Louisiana**

**Statement of Net Assets  
Governmental Activities**

**June 30, 2010**

**Assets:**

Cash and cash equivalents (Note 3)	\$ 44,804,290
Investments (Note 4)	52,608,231
Receivables (Note 6):	
Ad valorem taxes	332,185
Sales and use taxes	6,498,316
Federal grants	4,634,777
Other	1,135,489
Prepaid items (Note 1.H.)	480
Inventory (Note 1.H.)	178,164
Bond issuance costs, net (Note 1.I.)	716,675
Capital assets, net (Note 7):	
Land	6,067,839
Buildings and improvements	181,168,740
Furniture and equipment	10,145,781
Construction in progress	18,471,849
Intangible assets, net (Note 7)	1,231,387
Total assets	<u>327,894,203</u>

**Liabilities:**

Accounts payable	2,746,934
Salaries and wages payable	19,782,901
Unearned revenues	235,796
Interest payable - bonds	1,970,182
Other liabilities	6,783
Long-term liabilities:	
Due within one year (Note 12)	10,105,703
Due in more than one year (Notes 9 and 12)	193,778,897
Total liabilities	<u>228,627,196</u>

**Net assets:**

Invested in capital assets, net of related debt	100,035,844
Restricted for:	
Protested taxes	250,313
Salaries and benefits	10,217,192
West side operations	5,471,150
Unrestricted	(16,707,492)
Total net assets	<u>\$ 99,267,007</u>

See accompanying notes to the basic financial statements.

Ouachita Parish School Board  
Monroe, Louisiana

Statement of Activities  
Governmental Activities

Fiscal Year Ended June 30, 2010

	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>Functions/programs:</b>				
Instructional services:				
Regular programs	\$ 81,658,561	\$ -	\$ 2,171,444	\$ 56,915
Special education programs	22,066,367	-	2,873,117	89,130
Vocational programs	2,110,705	-	780,926	30,390
Other instructional programs	2,398,201	145,174	1,117,907	5,768
Special programs	6,723,294	-	8,155,355	2,059
Adult/continuing education	682,287	-	817,528	-
Support services:				
Pupil support services	8,817,328	-	3,297,789	53,546
Instructional staff support services	12,384,806	-	7,171,661	9,230
General administration	1,828,041	-	35,565	-
School administration	11,142,189	-	100,774	-
Business services	2,922,867	-	1,028,182	-
Plant services	22,317,337	-	293,469	-
Student transportation services	9,749,254	-	200,904	-
Central services	2,785,771	-	12,244	-
Noninstructional services:				
Food service operations	11,366,839	2,116,323	6,426,248	-
Community service programs	72,833	-	52,365	-
Long-term obligations:				
Interest on long-term obligations	5,969,208	-	-	-
Technical services	10,371	-	-	-
Legal services	2,625	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 205,028,674</b>	<b>\$ 2,261,497</b>	<b>\$ 32,335,485</b>	<b>\$ 247,036</b>
<b>General revenues:</b>				
Taxes:				
Ad valorem taxes levied for:				
General purposes				14,719,159
Debt service purposes				5,290,132
Sales taxes levied for:				
General purposes				16,048,988
Salaries and related benefits				20,306,723
Grants and contributions not restricted to specific programs:				
Minimum Foundation Program				111,280,177
State revenue sharing				818,245
Interest and investment earnings				538,324
Other				2,111,599
<b>Total general revenues</b>				<b>170,113,347</b>
<b>Changes in net assets</b>				<b>(71,309)</b>
Net assets at beginning of year as originally presented				98,030,773
Adjustment to net assets at beginning of year (Note 1.C.)				1,307,543
Net assets at beginning of year - restated				99,338,316
<b>Net assets at end of year</b>				<b>\$ 99,267,007</b>

See accompanying notes to the basic financial statements.

**THIS PAGE WAS INTENTIONALLY LEFT BLANK.**

**Ouachita Parish School Board  
Monroe, Louisiana**

**Fiscal Year Ended June 30, 2010**

**FUND FINANCIAL STATEMENTS (FFS)**



**Ouachita Parish School Board  
Monroe, Louisiana**

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

June 30, 2010

(With Comparative Totals For June 30, 2009)

	GENERAL FUND	SPECIAL REVENUE FUND - DISTRICT #1 SALES TAX	147-149 CAPITAL PROJECTS FUND - EAST OUACHITA 2009 CONSTRUCTION	OTHER GOVERNMENTAL	TOTAL	
					2010	2009
<b>Assets:</b>						
Cash and cash equivalents (Note 3)	\$ 20,131,458	\$ 6,278,704	\$ 444,877	\$ 14,642,832	\$ 41,497,871	\$ 38,263,925
Investments (Note 4)	9,317,055	10,317,206	13,277,589	16,872,343	49,784,193	53,949,579
Receivables (Note 6):						
Ad valorem taxes	222,230	-	-	109,955	332,185	417,835
Sales and use taxes	-	1,096,811	-	5,401,505	6,498,316	6,154,700
Federal grants	55,897	-	-	4,478,880	4,534,777	3,435,549
Other	163,480	-	-	971,938	1,135,398	1,814,691
Due from other funds (Note 13)	3,104,126	-	-	-	3,104,126	4,128,463
Inventory (Note 1.H.)	-	-	-	178,184	178,164	355,369
Prepaid items	-	-	-	480	480	-
<b>Total assets</b>	<b>\$ 32,994,226</b>	<b>\$ 17,692,721</b>	<b>\$ 13,722,486</b>	<b>\$ 42,656,097</b>	<b>\$ 107,065,510</b>	<b>\$ 108,520,111</b>
<b>Liabilities and fund balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 245,786	\$ 55,317	\$ 1,681,391	\$ 783,158	\$ 2,745,652	\$ 451,151
Retiree insurance payable	1,282	-	-	-	1,282	-
Salaries and wages payable	15,429,603	328,524	-	4,024,774	19,782,901	20,407,587
Retainages payable	-	-	796,319	64,745	861,064	-
Unearned revenues	-	-	-	235,796	235,796	285,248
Due to other governments	-	-	-	-	-	11,205
Other liabilities	6,172	-	-	611	6,783	33,122
Due to other funds (Note 13)	-	-	-	3,104,126	3,104,126	4,128,463
<b>Total liabilities</b>	<b>15,682,843</b>	<b>383,841</b>	<b>2,477,710</b>	<b>8,193,210</b>	<b>26,737,604</b>	<b>25,316,776</b>
<b>Fund balances:</b>						
Nonspendable: (Note 14)	-	-	-	-	-	-
Inventory	-	-	-	72,012	72,012	-
Restricted for: (Note 14)	-	-	-	-	-	65,616,567
Protested taxes	250,313	-	-	-	250,313	-
Instructional costs	139,977	-	-	27,485	167,462	-
Scholarships and donations	19,244	-	-	3,262	22,506	-
Salaries and benefits	-	-	-	5,574,738	5,574,738	-
Medical services	-	-	-	1,184,310	1,184,310	-
Food services	-	-	-	847,746	847,746	-
Debt service	-	-	-	10,908,961	10,908,961	-
Capital projects	-	-	11,244,756	10,373,223	21,617,979	-
West side operations	-	-	-	5,471,150	5,471,150	-
Committed for: (Note 14)	-	-	-	-	-	2,268,349
Drivers education	188,334	-	-	-	188,334	-
Major air conditioning repairs	752,508	-	-	-	752,508	-
Diplomas	757	-	-	-	757	-
Instructional costs	-	3,494,297	-	-	3,494,297	-
Capital projects	-	2,573,636	-	-	2,573,636	-
Mandated costs	-	5,824,931	-	-	5,824,931	-
Salaries and benefits	-	4,842,454	-	-	4,842,454	-
Maintenance and operation	-	773,562	-	-	773,562	-
Assigned for: (Note 14)	-	-	-	-	-	-
Major air conditioning repairs	1,500,000	-	-	-	1,500,000	-
Unassigned reported in: (Note 14)						
General Fund	14,460,250	-	-	-	14,460,250	15,318,418
<b>Total fund balances</b>	<b>17,311,383</b>	<b>17,308,880</b>	<b>11,244,756</b>	<b>34,462,887</b>	<b>80,327,906</b>	<b>83,203,335</b>
<b>Total liabilities and fund balances</b>	<b>\$ 32,994,226</b>	<b>\$ 17,692,721</b>	<b>\$ 13,722,486</b>	<b>\$ 42,656,097</b>	<b>\$ 107,065,510</b>	<b>\$ 108,520,111</b>

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'  
Balance Sheet to the Statement of Net Assets  
June 30, 2010**

Total fund balances – governmental funds	\$80,327,906
------------------------------------------	--------------

The cost of capital assets (land, buildings, furniture and equipment) and intangible assets (software) purchased or constructed is reported as an expenditure in Governmental Funds. The Statement of Net Assets includes those capital assets and intangible assets among the assets of the School Board as a whole. The cost of those capital and intangible assets is allocated over their estimated useful lives (as depreciation expense for capital assets and amortization expense for intangible assets) to the various programs reported as Governmental Activities in the Statement of Activities. Because neither depreciation nor amortization expenses affect financial resources, they are not reported in the Governmental Funds.

Cost of capital assets	\$335,591,186	
Accumulated depreciation	(119,736,977)	
Cost of intangible assets	1,857,896	
Accumulated amortization	<u>(626,509)</u>	217,085,596

The costs associated with issuing bonds are reported as expenditures in the Governmental Funds. The issuance costs are not considered financial resources in the Statement of Net Assets; therefore, the costs are reported on the Statement of Net Assets as an asset net of accumulated amortization.

Bond issuance cost	1,861,013	
Accumulated amortization	<u>(1,144,338)</u>	716,675

Elimination of interfund assets and liabilities.

Interfund assets	(3,104,126)	
Interfund liabilities	<u>3,104,126</u>	-

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'  
Balance Sheet to the Statement of Net Assets (continued)  
June 30, 2010**

Long term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long term – are reported in the Statement of Net Assets.

Retainages due in the 2009-10 fiscal year on construction projects are not reported in the Governmental Funds. Retainages have been reported as a liability in the Statement of Net Assets. Post-employment benefits in the Governmental Funds are recorded as an expenditure when paid. The unfunded annual required contribution in the Statement of Net Assets is recognized as a liability as it accrues.

Balances at June 30, 2010 are:

Long-term liabilities:

Compensated absences payable	(\$6,599,423)	
General obligation bonds payable	(70,235,000)	
Revenue bonds payable	(75,795,000)	
Deferred amount on refunding – Rev. bonds	493,308	
Tax liability certificates of indebtedness	(4,040,000)	
Bond premium	(105,433)	
Other post employment benefits	<u>(45,782,177)</u>	(\$202,063,725)

(continued)

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'  
Balance Sheet to the Statement of Net Assets (continued)  
June 30, 2010**

The School Board self-insures for general liability and workers' compensation. Funds to meet these liabilities are deposited in an Internal Service Fund. The Internal Service Fund is not reported with the Governmental Funds. The Internal Service Fund is reported in the Statement of Net Assets. The Internal Service Fund's net assets at June 30, 2010, are as follows:

Cash and cash equivalents	\$3,306,419	
Investments	2,824,038	
Accounts receivable	91	
Claims liability	<u>(959,811)</u>	\$5,170,737

Interest on outstanding bonds in the Governmental Funds is recorded as an expenditure when paid. Bond interest in the Statement of Net Assets is recognized as an expense as it accrues.

Accrued interest on outstanding bonds	<u>(1,970,182)</u>
---------------------------------------	--------------------

<b>Net Assets</b>	<b><u>\$99,267,007</u></b>
-------------------	----------------------------

See accompanying notes to the basic financial statements.

(concluded)

**Ouachita Parish School Board  
Monroe, Louisiana**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES**

**Fiscal Year Ended June 30, 2010**

**(With Comparative Totals For Fiscal Year Ended June 30, 2009)**

	400 SPECIAL REVENUE FUND - DISTRICT #1	(147-150) CAPITAL PROJECTS FUND - EAST OUACHITA 2009 CONSTRUCTION	OTHER GOVERNMENTAL	TOTAL	
	GENERAL FUND	SALES TAX	SALES TAX	2010	2009
<b>REVENUES</b>					
Local sources:					
Ad valorem taxes (Note 5)	\$ 14,719,159	\$ -	\$ -	\$ 5,280,132	\$ 20,009,291
1% ad valorem tax - tax collector	515,735	-	-	515,735	468,967
Sales and use taxes	-	5,761,805	-	29,593,906	36,355,711
Earnings on investments	285,099	51,057	95,859	126,310	538,324
Cash payments for meals	-	-	-	2,116,323	2,209,985
Other	1,811,326	-	218,143	967,213	2,988,682
State sources:					
State equalization	109,972,907	-	-	1,439,682	111,412,589
Revenue sharing	818,245	-	-	818,245	830,567
Professional Improvement Program	288,376	-	-	-	288,376
State contribution for teacher retirement (Note 6)	36,710	-	-	-	36,710
Restricted grants-in-aid	58,410	-	-	3,482,964	3,541,374
Federal sources:					
Federal programs	-	-	-	26,428,708	28,428,708
Other federal support	281,529	-	-	607,768	899,297
Total revenues	<u>128,777,496</u>	<u>5,812,862</u>	<u>314,001</u>	<u>70,053,006</u>	<u>204,957,355</u>
<b>EXPENDITURES</b>					
Current:					
Instructional services:					
Regular programs	59,679,745	452,120	-	12,945,532	73,077,397
Special education programs	15,316,206	109,611	-	5,943,295	21,389,112
Vocational programs	1,194,629	-	-	888,305	2,082,934
Other instructional programs	1,145,702	251,153	-	931,357	2,328,212
Special programs	188,740	-	-	6,238,952	6,428,692
Adult/continuing education	63,874	-	-	612,889	676,763
Support services:					
Pupil support services	4,017,890	439,538	-	4,141,445	8,698,873
Instructional staff support services	4,057,035	123,336	-	7,783,120	11,963,491
General administration	961,617	577	-	212,778	1,174,872
School administration	9,622,597	51,269	-	1,192,127	10,865,983
Business services	1,806,311	17,841	-	1,185,641	2,809,793
Plant services	17,735,975	828,635	230,241	2,093,300	20,888,151
Student transportation services	7,415,335	463,690	-	1,170,595	9,049,620
Central services	2,423,529	10,707	-	104,108	2,538,344
Noninstructional services:					
Food service operations	923,652	133,175	-	10,163,298	11,220,125
Community service programs	23,851	-	-	48,994	72,845
Facility acquisition and construction	-	30,334	19,122,949	6,871,598	26,024,879
Debt service (Note 13):					
Principal	-	-	-	7,195,000	7,195,000
Interest	-	-	-	5,657,286	5,657,286
Technical services	-	-	1,313	9,058	10,371
Legal fees	875	-	-	1,750	2,625
Bond issuance costs	-	-	63,681	5,675	69,566
Total expenditures	<u>126,377,463</u>	<u>2,911,986</u>	<u>19,418,384</u>	<u>75,394,101</u>	<u>224,101,934</u>
Excess (deficiency) of revenues over expenditures	<u>2,400,033</u>	<u>2,900,876</u>	<u>(19,104,383)</u>	<u>(5,341,095)</u>	<u>(10,728,788)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	6,330	-	-	-	6,330
Bond issuance	-	-	9,200,000	10,000,000	19,200,000
Insurance of refunding debt	-	-	-	-	-
Accrued interest on bond sales	-	-	-	12,906	12,906
Premium on bond sales	-	-	-	10,324	10,324
Payment to refunded debt escrow agent-principal	-	-	-	-	-
Payment to refunded debt escrow agent-interest	-	-	-	-	-
Bond premium on refunding debt	-	-	-	-	-
Transfers in (Note 15)	-	-	4,637	8,416,275	8,420,912
Transfers out (Note 16)	(2,965,067)	-	-	(8,416,275)	(11,381,332)
Total other financing sources (uses)	<u>(2,958,737)</u>	<u>-</u>	<u>9,204,637</u>	<u>10,023,230</u>	<u>16,269,140</u>
Net change in fund balances	<u>(558,694)</u>	<u>2,900,876</u>	<u>(9,899,746)</u>	<u>4,682,135</u>	<u>(2,674,429)</u>
Fund balances at beginning of year as originally presented	16,797,040	14,408,004	21,144,502	30,853,769	83,203,335
Adjustment to fund balance at beginning of year - (Note 1.C.)	1,073,037	-	-	(1,073,037)	-
Fund balances at beginning of year - restated	<u>17,870,077</u>	<u>14,408,004</u>	<u>21,144,502</u>	<u>29,780,732</u>	<u>83,203,335</u>
Fund balances at end of year	<u>\$ 17,311,383</u>	<u>\$ 17,308,880</u>	<u>\$ 11,244,756</u>	<u>\$ 34,462,867</u>	<u>\$ 80,527,906</u>

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances to the Statement of Activities  
Fiscal Year Ended June 30, 2010**

Total net change in fund balances – Governmental Funds (\$2,875,429)

Amounts reported for governmental activities in the Statement of Activities are different because:

Elimination of transfers in and out:

Transfers in	\$8,420,912	
Transfers out	<u>(11,381,332)</u>	(2,960,420)

Capital outlays and intangible assets are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense for the capital assets and amortization expense for the intangible assets. This is the amount by which capital outlays exceed depreciation and amortization in the period:

Capital Outlays	26,154,236	
Depreciation	(8,277,899)	
Intangible Assets	107,740	
Amortization	(183,896)	
Decrease in retainage payable	<u>315,084</u>	18,115,265

Capital Assets nor depreciation are reported in the Governmental Funds. Capital assets and accumulated depreciation are reported in the Statement of Net Assets. When an asset is disposed of that is not fully depreciated it results in a loss on the disposal of the asset in the Statement of Activities unless sales proceeds are received which are in excess of carrying value. During the current fiscal year the School Board had a loss on disposal of capital assets of \$28,178.

(28,178)

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances to the Statement of Activities (continued)  
Fiscal Year Ended June 30, 2010**

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

\$7,195,000

The costs associated with issuing bonds are reported as expenditures in the Governmental Funds. The issuance costs do not require the use of current financial resources; therefore, the costs are amortized over the life of the bond issue in the Statement of Net Activities. For the year ended June 30, 2010, bond issuance costs exceeded current year amortization of bond issuance costs as follows:

Bond issuance costs	\$69,556	
Current year amortization of bond issuance costs	<u>(179,241)</u>	(109,685)

The School Board self-insures for general liability and workers' compensation. Funds to meet these liabilities are deposited in an Internal Service Fund.

The Internal Service Fund is not reported with the Governmental Funds; however, it is reported in the Statement of Net Assets. The net assets in the Internal Service Fund increased from \$2,849,990 at June 30, 2009 to \$5,170,737 at June 30, 2010 for a net increase of \$2,320,747

2,320,747

Elimination of transfer in from general fund to Internal Service Fund

2,960,420

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances to the Statement of Activities (continued)  
Fiscal Year Ended June 30, 2010**

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the Governmental Funds; however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$323,966) was less than the amount used (\$355,029) by \$31,063.

\$31,063

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because accrued interest received from bond sales is recognized as Other Financing Sources when received and interest on outstanding bonds is recognized as an expenditure in the Governmental Funds when it is due, which requires the use of current financial resources. In the Statement of Activities; however, interest expenses are recognized as the interest accrues, regardless of when it is due. Interest expense payable at year end decreased from the previous year as follows:

Interest expense payable at June 30, 2010	(\$1,970,182)	
Interest expense payable at June 30, 2009	<u>1,860,808</u>	(109,374)

Bond premium from bond sales is reported in the Governmental Funds as Other Financing Sources when received. Bond premium is reported in the Government-wide Financial Statements as a liability and amortized over the life of the bonds.

Bond premium	(10,324)	
Current year amortization expense	<u>18,713</u>	8,389

See accompanying notes to the basic financial statements.

(continued)



**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances to the Statement of Activities (continued)  
Fiscal Year Ended June 30, 2010**

Payments to an escrow agent to refund bonded debt are reported in the Governmental Funds as Other Financing Sources. The amount paid to the escrow agent for principal is removed from the long-term bonded debt in the Statement of Net Assets. The deferred part of the payment paid to the escrow agent is shown as a reduction of long-term debt in the Statement of Net Assets. The deferred amount is amortized over the lesser of the life of the original bonds or the life of the refunding bonds. Current year amortization was \$233,833.

(233,833)

Discounts received on refinancing bonds are reported in the Governmental Funds as Other Financing Sources. Bond discounts are reported on the Statement of Net Assets as a reduction of long-term debt and amortized over the lesser of the life of the original bonds or the life of the refunding bonds. Current year amortization of bond discount was \$335.

(334)

Other post-employment benefits are reported in the Governmental Funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues.

(5,184,940)

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances to the Statement of Activities (continued)  
Fiscal Year Ended June 30, 2010**

General obligation and revenue bonds issued in 2009 are included in the Governmental Funds as Other Financing Sources. Bond issues are not reported on the Statement of Activities but are reported as long-term liabilities on the Statement of Net Assets.

General obligation bonds issued by East Ouachita

Bond District

(\$9,200,000)

Revenue bonds issued by West Ouachita Bond District

(10,000,000)

(\$19,200,000)

**Change in net assets of governmental activities**

**(\$71,309)**

See accompanying notes to the basic financial statements.

(concluded)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund  
Comparative Statement of Net Assets**

**June 30, 2010 and 2009**

	<b>Total</b>	
	<b>2010</b>	<b>2009</b>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents (Note 3)	<b>\$ 3,306,419</b>	<b>\$ 842,939</b>
Investments (Note 4)	<b>2,824,038</b>	<b>2,846,783</b>
Accounts receivable	<b>91</b>	<b>-</b>
Total assets	<b><u>6,130,548</u></b>	<b><u>3,689,722</u></b>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	<b>-</b>	<b>13,308</b>
Claims liability - due within one year (Note 1.R.)	<b>550,000</b>	<b>450,000</b>
Noncurrent liabilities:		
Claims liability (Note 1. R.)	<b>409,811</b>	<b>376,424</b>
Total liabilities	<b><u>959,811</u></b>	<b><u>839,732</u></b>
<b>Unrestricted net assets</b>	<b><u>\$ 5,170,737</u></b>	<b><u>\$ 2,849,990</u></b>

*See accompanying notes to the basic financial statements.*

**Ouachita Parish School Board  
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund  
Comparative Statement of Revenues, Expenses  
and Changes in Net Assets**

**Fiscal Years Ended June 30, 2010 and 2009**

	<u>Total</u>	
	<u>2010</u>	<u>2009</u>
<b>Operating revenues</b>	\$ -	\$ -
<b>Operating expenses</b>		
Self-insurance claims and insurance premiums	<u>666,276</u>	<u>460,827</u>
Operating income (loss)	(666,276)	(460,827)
<b>Nonoperating revenues</b>		
Earnings on investments	<u>26,603</u>	<u>90,561</u>
Income (loss) before transfers	(639,673)	(370,266)
<b>Transfers in</b>	<u>2,960,420</u>	<u>600,000</u>
Change in net assets	2,320,747	229,734
Net assets at beginning of year	<u>2,849,990</u>	<u>2,620,256</u>
Net assets at end of year	<u><u>\$ 5,170,737</u></u>	<u><u>\$ 2,849,990</u></u>

*See accompanying notes to the basic financial statements.*

**THIS PAGE WAS INTENTIONALLY LEFT BLANK.**

**Ouachita Parish School Board  
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund  
Comparative Statement of Cash Flows**

**Fiscal Years Ended June 30, 2010 and 2009**

	<b>Total</b>	
	<b>2010</b>	<b>2009</b>
<b>Cash flows from (used by) operating activities:</b>		
Claims and premiums paid	\$ (546,288)	\$ (895,929)
Net cash provided (used) by operating activities	<u>(546,288)</u>	<u>(895,929)</u>
<b>Cash flows from noncapital financing activities:</b>		
Transfer from General Fund	<u>2,960,420</u>	<u>600,000</u>
<b>Cash flows from (used by) investing activities:</b>		
Sale (purchase) of investments, net	22,745	(1,522,628)
Earnings on investments	26,603	90,561
Net cash provided (used) by investing activities	<u>49,348</u>	<u>(1,432,067)</u>
Net increase (decrease) in cash and cash equivalents	2,463,480	(1,727,996)
Cash and cash equivalents at beginning of year	<u>842,939</u>	<u>2,570,935</u>
Cash and cash equivalents at end of year	<u>\$ 3,306,419</u>	<u>\$ 842,939</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating income (loss)	\$ (666,276)	\$ (460,827)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in receivables	(91)	30,197
Increase (decrease) in payables	(13,308)	13,308
Increase (decrease) in claims liability	<u>133,387</u>	<u>(478,607)</u>
Net cash provided (used) by operating activities	<u>\$ (546,288)</u>	<u>\$ (895,929)</u>
<b>Noncash investing activities:</b>		
Increase (decrease) in fair value of investments	<u>\$ 22,745</u>	<u>\$ (10,534)</u>

*See accompanying notes to the basic financial statements.*

THIS PAGE WAS INTENTIONALLY LEFT BLANK.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Fiduciary Fund - Agency Funds  
Comparative Statement of Fiduciary Assets and Liabilities**

**June 30, 2010 and 2009**

	<b>Total</b>	
	<b>2010</b>	<b>2009</b>
<b>Assets:</b>		
Cash and cash equivalents	<u><u>\$ 3,502,299</u></u>	<u><u>\$3,392,499</u></u>
<b>Liabilities:</b>		
Amounts held for others	<u><u>\$3,502,299</u></u>	<u><u>\$3,392,499</u></u>

See accompanying notes to the basic financial statements.





**COMMITTED**  
*to Academic Excellence  
for ALL Students!*

*Our Mission:  
Through collaboration  
among all stakeholders, the  
Ouachita Parish School System  
will ensure that all students attain  
the knowledge and skills needed  
to be productive citizens.*

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2010**

**INDEX**

NOTE 1 - Summary of Significant Accounting Policies.....	49
A. Financial Reporting Entity.....	49
B. Fund Accounting.....	49
Governmental Funds.....	50
Major Funds.....	50
Nonmajor Funds.....	51
Proprietary Fund .....	51
Fiduciary Fund .....	51
C. Basis of Accounting/Measurement Focus .....	51
Government-wide Financial Statements (GWFS) .....	51
Fund Financial Statements (FFS).....	53
D. Cash and Cash Equivalents.....	55
E. Investments .....	56
F. Short-Term Interfund Receivables/Payables .....	56
G. Elimination and Reclassifications.....	56
H. Inventory and Prepaid Items.....	56
I. Bond Issuance Costs .....	57
J. Capital Assets.....	57
K. Unearned Revenues .....	58
L. Interfund Activity.....	58
M. Compensated Absences .....	58
N. Long-Term Liabilities.....	59
O. Restricted Net Assets .....	60
P. Nonspendable, Restricted, Committed, Assigned and Unassigned Fund Balances .....	60
Q. Sales and Use Tax.....	61
R. Self-Insurance .....	62
S. Use of Estimates .....	63
NOTE 2 - Expenditures - Budget and Actual.....	64
NOTE 3 - Cash and Cash Equivalents .....	64
NOTE 4 - Investments.....	65
NOTE 5 - Ad Valorem Taxes .....	66
NOTE 6 - Receivables.....	67
NOTE 7 - Capital Assets.....	68

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**INDEX (continued)**

NOTE 8 – Retirement Systems.....	70
A. Teachers’ Retirement System of Louisiana (TRSL).....	70
B. Louisiana School Employees’ Retirement System (LSERS) .....	71
NOTE 9 – Other Post Employment Benefits.....	72
NOTE 10 – Deferred Compensation Plan .....	77
NOTE 11 – Agency Fund Deposits Due Others (FFS level only).....	77
NOTE 12 – General Long-Term Obligations .....	77
NOTE 13 – Interfund Assets/Liabilities (FFS level only).....	82
NOTE 14 – Nonspendable, Restricted, Committed and Assigned Fund Balances (FFS level only).....	83
NOTE 15 – Litigation and Contingencies .....	85
NOTE 16 – Interfund Transfers (FFS level only).....	86
NOTE 17 – Subsequent Events.....	87
	(concluded)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies**

The accompanying financial statements of the Ouachita Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**A. Financial Reporting Entity**

GASB Statement No. 14, *The Financial Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. For financial reporting purposes, the School Board's financial statements include all funds, schools, agencies and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

Certain units of local government, such as other independently elected officials, the parish police jury and municipalities, are excluded from the accompanying financial statements. These units have their own elected governing authorities and are not financially accountable to the School Board.

**B. Fund Accounting**

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund balance or equity, revenues and expenditures, or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

The School Board uses the following fund categories and fund types.

***Governmental Funds:*** Governmental funds account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues, and expenditures/expenses. Major funds are larger, more significant funds. Nonmajor funds are the Governmental Funds that do not meet the dollar tests for major funds. The major and nonmajor funds are described below:

**Major Funds:**

***General Fund*** - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in another fund and is always a major fund.

***Special Revenue Funds*** - Special Revenue Funds account for and report the proceeds of specific revenue sources (other than special assessments) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The District #1 Sales Tax Special Revenue Fund is the only major Special Revenue Fund. For a more detailed description of the major Special Revenue Fund see the Required Supplemental Information - Part B, Budgetary Comparison Schedule.

***Debt Service Funds*** - Debt Service Funds account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. There was no major Debt Service Fund in the 2009-10 fiscal year. For a more detailed description of the Debt Service Funds, see the Required Supplemental Information - Part B, Debt Service Fund.

***Capital Projects Funds*** - Capital Projects Funds account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The East Ouachita 2009 Construction Capital Projects Fund is the only major Capital

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

Projects Fund. For a more detailed description of this fund see the Required Supplemental Information – Part B, Capital Projects Funds.

**Nonmajor Funds:**

The School Board has 10 nonmajor Special Revenue Funds, 3 nonmajor Debt Service Funds, and 3 nonmajor Capital Projects Funds. For a description of these funds see the Nonmajor Special Revenue Funds, Debt Service Funds, and Capital Projects Funds tab sections of the report.

***Proprietary Funds:***

*Internal Service Fund* - The Internal Service Fund accounts for the financing of services provided by one fund to other funds of the School Board. The Self-Insurance Internal Service Fund, which purchases an insurance policy and accounts for third-party administrative costs and claims, is reported as an internal service fund.

***Fiduciary Funds:***

*Agency Funds* - The Agency Funds account for assets held by the School Board in a trustee capacity or as an agent for individuals, private or school organizations, other governmental units and/or other funds. The School Activity Funds and Migrant Funds of other parishes are reported as Agency Funds.

**C. Basis of Accounting/Measurement Focus**

**Government-wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions are recognized when the School Board has an enforceable legal claim to the revenues, expenses, gains, losses, assets and liabilities.

*Program revenues*

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

*General Revenues*

General revenues included in the Statement of Activities derive directly from local property and sales taxes and from unrestricted state grants and local revenue. General revenues finance the remaining balance of a function not covered by program revenues.

*Allocation of indirect expenses*

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation and amortization expense are specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

The Ouachita Parish School Board implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, for the fiscal year ended June 30, 2010. The implementation of this pronouncement impacts the financial reporting in the Government-wide Financial Statements only, and requires reported net assets at the beginning of year on the Statement of Activities to be restated to properly report intangible capital assets and related accumulated amortization recognized through June 30, 2009 as follows:

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

Net assets at June 30, 2009 as originally presented	\$98,030,773
GASB 51 reporting changes:	
Intangibles-software	\$1,750,155
Accumulated appreciation-Intangibles-software	<u>(442,612)</u>
Intangibles, net of accumulated Appreciation	<u>1,307,543</u>
Net assets at June 30, 2009 - Restated	<u>\$99,338,316</u>

**Fund Financial Statements (FFS)**

*Governmental Funds*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds reported in the fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Proprietary Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Proprietary Fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Operating revenues are charges to the General Fund for insurance related costs such as claims liability and insurance premiums. Non-operating revenues are revenues that are not derived from charges to the General Fund such as earnings on investments. Proprietary Fund Type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. Operating expenses are general liability and worker's compensation claims and worker's compensation insurance premiums.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Such revenue items are ad valorem, sales and use taxes and federal and state entitlements. Ad valorem taxes are considered measurable and are recognized in the calendar year of the tax levy. Sales and use taxes are considered measurable and available when collected by the vendors. Revenue from state and federal grants are recorded when the reimbursable expenditures have been incurred.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year. Other post employment benefits (OPEB) are recorded in the Government-wide Financial Statements as expenditures and as a liability when incurred.

The Ouachita Parish School Board early implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the fiscal year ended June 30, 2010. The following changes have been made in the reporting of certain funds based on GASB 54's definition of the General Fund and Special Revenue Fund type. The Medicaid and Kid Med Funds previously reported in the General Fund are now reported as State Grants Special Revenue Funds.

The Air Conditioning Fund previously reported as a Special Revenue Fund and the Gifted and Talented and Act 13 Special Education Funds previously reported as Local Grants Special Revenue Funds are reported in the General Fund in the 2009-10 financial statements. The June 30, 2009 fund balance has been restated for these changes as follows:

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

	General Fund	Nonmajor Special Revenue Fund
Fund Balance at June 30, 2009 as originally presented	\$16,797,040	\$13,992,615
GASB 54 reporting changes:		
Medicaid	(850,069)	850,069
Kid Med Services	(169,925)	169,925
Air Conditioning Redemption Fund	1,977,314	(1,977,314)
Gifted and Talented	13,412	(13,412)
Act 13 Special Education	<u>102,305</u>	<u>(102,305)</u>
Fund Balance at June 30, 2009, Restated	<u>\$17,870,077</u>	<u>\$12,919,578</u>

**D. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in interest-bearing demand deposits, bank certificates of deposit, as well as short-term investments with a maturity date within three months of the date acquired. Bank certificates of deposit are stated at cost, which approximates fair value. Short-term investments are stated at cost, which approximates fair value.

Cash balances of all of the School Board's funds, except for the Payroll Account, are pooled into one master bank account with the School Board's fiscal agent bank. The Payroll Account is maintained in a separate account.

Interest earned on balances maintained in the pooled bank account was distributed to the individual funds based on the cash balance maintained by the unrestricted participating fund during the year.

The School Board maintains separate "book" cash accounts for each fund that is pooled within the master bank account. Negative book cash balances appear in the financial statements as a liability, "Due to Other Funds." The balance of these amounts will be paid primarily through collections of grants receivable reimbursements from the Federal and State Departments of Education.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

**E. Investments**

Louisiana Revised Statutes (R.S. 33:2955) and the Board's investment policy govern the investment policies of the School Board. The Ouachita Parish School Board is authorized to invest in U. S. Treasury obligations, U.S. Government instrumentalities, A-1, P-1 commercial paper, and other allowable short-term obligations including repurchase agreements. These are classified as investments if they have a maturity date of 90 days or more from the date of acquisition. Investments are carried at fair value.

Cash management and investment activities shall be conducted in a manner consistent with the "prudent investor" rule which states, "Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived."

**F. Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements balance sheet.

**G. Elimination and Reclassifications**

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column. Interfund services provided and used by the various Governmental Funds have not been eliminated in the process of aggregating data.

**H. Inventory and Prepaid Items**

Inventory is accounted for using the consumption method, where expenditures are recognized as expenses when consumed on the Government-wide Financial Statements and a portion are recognized as expenditures when consumed and a portion are recognized as expenditures when purchased on the Fund Financial Statements. Inventory is stated at cost using the first-in, first-out (FIFO) basis. Inventory consists primarily of commodities and purchased food held for

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

consumption. Purchased food inventory in the governmental funds is equally offset by a fund balance reserve which shows that this inventory does not constitute "available spendable resources" even though it is a component of total assets. Commodities inventory of \$106,152 is reported as unearned revenues, leaving a nonspendable fund balance of \$72,012 for purchased food inventory.

Certain payments to vendors for travel expenditures reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

**I. Bond Issuance Costs**

Costs (bond rating fees, attorney fees, printing, etc.) associated with issuing bonds are capitalized and amortized over the life of the bond issue in the Government-wide Financial Statements. The bond issuance costs are reported as expenditures in the Fund Financial Statements. The following is a summary of governmental activities bond issuance cost transactions for the year ended June 30, 2010:

	<u>Bond Issuance Costs</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Balance June 30, 2009	\$1,791,457	\$965,097	\$826,360
Additions	<u>69,556</u>	<u>179,241</u>	<u>(109,685)</u>
Balance June 30, 2010	<u>\$1,861,013</u>	<u>\$1,144,338</u>	<u>\$716,675</u>

**J. Capital Assets**

Capital assets, which include land, buildings and improvements, furniture and equipment, intangibles, and construction-in-progress are reported as governmental funds in the Governmental-wide Financial Statements. The School Board considers assets, other than intangibles, with an initial individual cost of more than \$5,000 and an estimated useful life of 2 years or more as a capital asset. Intangibles, such as software, with an initial individual cost of \$25,000 or more and an estimated useful life of 2 years or more are considered a capital asset.

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's best estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

the salvage value is immaterial. Straight-line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Furniture and equipment	5-15 years
Intangibles	10-20 years

Public domain (infrastructure) capital assets (e.g. parking lots, sidewalks, and other assets that are immovable and of value only to the government) were capitalized as part of the construction cost of the buildings.

**K. Unearned Revenues**

The School Board reports unearned revenues on its Statement of Net Assets and on the Fund Financial Statements' balance sheet. Unearned revenues arise when the School Board receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the Governmental Fund's Fund Financial Statements' balance sheet and the revenue is recognized.

**L. Interfund Activity**

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or propriety funds are netted as part of the reconciliation to the Government-wide Financial Statements.

**M. Compensated Absences**

All 12-month employees earn from 10 to 15 days of annual leave each year depending on length of service with the School Board. Annual leave is credited at the beginning of each fiscal year and a maximum of five days can be accumulated and carried forward into a new fiscal year. Upon termination of employment, unused annual leave up to 20 days is paid to employees at the employees' current rates of pay.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

All school employees earn ten days of sick leave each year. Sick leave may be accumulated without limitations. Upon retirement, unused accumulated sick leave of up to 25 days is paid to employees at the employees' current rates of pay. The accrual recorded for earned sick leave is based on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, accumulated sick leave is used in the retirement benefit computation as earned service.

Sick and vacation leave are reported in the Statement of Net Assets as a long-term liability and expensed in the Statement of Activities. Sick and vacation leave accrued in the Statement of Net Assets as of the end of the fiscal year are valued using employees' current rates of pay. Neither the School Board nor the employees are required to contribute to the retirement system for sick and annual leave payments. Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire. A liability for sick and annual leave is reported in the Governmental Funds only if they are payable at year end as the result of an employee's retirement.

**N. Long-Term Liabilities**

Bond premiums and discounts, as well as issuance costs, are recognized in the fund financial statements in the period the bonds are issued. Bond proceeds are reported as an Other Financing Source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

In the Government-wide Financial Statements bond premiums and issuance costs are reported on the balance sheet net of amortization and amortized over the life of the bonds. Bond discounts have been reported in the Government-wide Financial Statements as a reduction of long-term liabilities, net of accumulated amortization. Bond proceeds have been reported in the Government-wide Financial Statements as a long-term liability.

The current cost of other post-employment benefits is recognized in the fund financial statements in the year earned. Other post-employment benefits earned prior to the implementation of GASB 45 in fiscal year 2008 are to be recognized 3% per year for the years 2008 – 2037.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

**O. Restricted Net Assets**

For the Government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

In the Statement of Net Assets the following items are considered restricted:

Debt service is considered restricted because an ad valorem tax has been levied specifically to meet the principal and interest payments of various bond issues.

Salaries and related benefits are considered restricted as it represents undistributed salaries and related benefits from sales taxes restricted by sales tax propositions exclusively for this purpose.

Protested taxes are considered restricted because the taxpayer has filed suit protesting the ad valorem tax assessment and the amount of the tax. Distribution of the tax is pending settlement of the suit.

Federal and local grant projects are considered restricted because the use of grant funds have been designated by the benefactor or grantor.

**P. Nonspendable, Restricted, Committed, Assigned, and Unassigned Fund Balances**

The nonspendable portion of fund balance represents items that cannot be spent, such as food inventory. Portions of fund equity reported in the Fund Financial Statements are restricted by tax ordinances or by local, state or Federal grant regulations for future use and are; therefore, not available for future appropriation or expenditure. Committed unassigned fund balances indicate the School Board's tentative plans for the use of financial resources in a future period. Fund balance commitments are made by Board approved resolutions. The School Board has authorized through resolution the Superintendent and Business Manager to assign the General Fund's unassigned fund balance as they determine needed for the payment of future commitments. The Board has not established a formal policy regarding the order of spending fund balances that are restricted,

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

committed, or assigned. The School Board's informal policy for the spending prioritization of fund balances is that restricted would receive top priority followed by committed. Assigned would receive the least priority and would be authorized to be spent only if adequate funds were available. If expenditures incurred exceed the amount that have been committed or assigned to a specific purpose, amounts unassigned would be reduced to eliminate the deficit. See Note 14 for more detailed information about the School Board's nonspendable, restricted, designated, and assigned fund balance classifications.

The School Board has established through board resolution unassigned fund balance requirements. The General Fund unassigned balance should be maintained between 10 and 15 percent of General Fund expenditures. If the unassigned fund balance decreases below the 10 percent minimum balance, expenditures should be made only for non-reoccurring items.

**Q. Sales and Use Tax**

The voters of Ouachita Parish have authorized the collection of four sales and use taxes for the benefit of the School Board. The first of these is a .5% sales and use tax levied and collected jointly by the City of Monroe School Board and the Ouachita Parish School Board. The net proceeds of the tax are to be allocated and prorated between the two school boards annually on the basis of average daily membership for the preceding school year. The tax revenue is to be used exclusively to supplement other revenues available to the School Board for the following purposes:

Eighty-eight percent of the revenues received by the School Board are to be used for the payment of the salaries of teachers, as defined by the Louisiana State Department of Education.

Twelve percent of the revenues received by the School Board are to be used for the payment of salaries to designated personnel, other than teachers.

The second of these taxes is an additional 1% sales and use tax levied and collected by the School Board only, and is to be used exclusively to supplement other revenue available to the School Board for the purpose of teacher and School Board employees' salaries and benefits.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

The third of these taxes is an additional .5% sales and use tax levied and collected by the School Board only. The tax revenue is to be used exclusively to supplement other revenues available to the School Board for the following purposes:

Thirty-eight percent of the revenues received by the School Board are to be used for capital improvements and facility and equipment support.

Thirty-six percent of the revenues received by the School Board are to be used for classroom instruction.

Fourteen percent of the revenues received by the School Board are to be used for the payment of mandated costs.

Twelve percent of the revenues received by the School Board are to be used to restore salary reductions.

The fourth of these is an additional 1% sales and use tax levied and collected by the West Ouachita Parish School Bond District for a period of 27 years through the year 2025. The tax proceeds are to be used for constructing, acquiring, improving, equipping, furnishing, maintaining, and/or operating schools and school related facilities in the district, with the proceeds of the tax being subject to funding into bonds for capital improvements.

**R. Self-Insurance**

The School Board is exposed to risks from damage to property from natural disasters and fires and for errors and omissions. The School Board is covered through insurance policies for these risks. The School Board is also at risk from injuries to students, employees, and citizens incurred on our facilities through negligence and to employees being injured on the job. The School Board is partially self-insured for workers' compensation and general liability insurance coverage, and maintains policies with large deductibles for property and fleet vehicle insurance. The School Board has an excess insurance policy which covers individual workers' compensation claims and occurrences in excess of \$500,000. The School Board self-insures for the retention. The School Board has not had claims to exceed its insurance coverage for each of the past three fiscal years.

Revenues that finance the operations of the Self-Insurance Internal Service Fund are considered operating revenues and include charges for services and insurance proceeds from losses. Revenues that are not derived directly from the operations of the self-insurance program are considered non-

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**1. Summary of Significant Accounting Policies (continued)**

operating revenues and include earnings on investments. The School Board has increased the net assets in the Internal Service Fund over the years by transfers from the General Fund to cover future catastrophic losses.

Expenses related to these plans are recognized in the self-insurance fund as claims are incurred. A liability for unpaid and incurred but not reported claims is based on the School Board's known claims and its previous experience. A third-party administrator, who processes and investigates claims, pays valid claims and estimates the liabilities for unpaid claims, manages the workers' compensation and general liability plans. School Board personnel manage the remaining plans.

During fiscal year 2010, total expenses for claims and insurance premiums related to the self-insurance plans were \$666,276. The School Board's activity in claims liability for fiscal years 2010 and 2009 was:

	<u>2010</u>	<u>2009</u>
Claims liability at beginning of the year	\$826,424	\$1,305,031
Incurred claims and provision for incurred but not reported (1)	785,461	402,247
Claims payments	<u>(652,074)</u>	<u>(880,854)</u>
Claims liability at the end of the year	(1) <u>\$959,811</u>	<u>\$826,424</u>
Claims liability due within one year	<u>\$550,000</u>	<u>\$450,000</u>

(1) In 2009-10 the reserve amount increased due to a bus accident and 2 ongoing workers compensation claims resulting in the claims liability being increased by \$133,387.

**S. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**2. Expenditures – Budget and Actual**

The General Fund and the following individual nonmajor Special Revenue and Debt Service Funds had actual expenditures over total budgeted expenditures for the year ended June 30, 2010.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
General Fund	\$129,002,804	\$129,495,520	(\$492,716)
Nonmajor Special Revenue Funds:			
West Ouachita Sales Tax	\$755,490	\$1,125,996	(\$370,506)
School Food Service	\$9,201,907	\$9,431,118	(\$229,211)
Nonmajor Debt Service Funds:			
East Ouachita Bond	\$5,204,000	\$5,232,229	(\$28,229)

General Fund expenditures exceeded budgeted amounts due to paying for repair projects that had been originally budgeted in the District #1 Sales Tax Special Revenue Fund. West Ouachita Sales Tax Fund's expenditures exceeded budgeted expenditures due to the Board authorizing more school repairs than originally anticipated. The excess of expenditures over budgeted expenditures in the School Food Service Fund was the result of underestimating food and utility costs. East Ouachita Bond actual expenditures exceeded budgeted expenditures due to under estimating fiscal agent administrative cost.

**3. Cash and Cash Equivalents**

*Custodial credit risk-deposits.* At year-end, as reported on the Statement of Net Assets and the Agency Funds' Comparative Statement of Assets and Liabilities, the book balances of the School Board's deposits (including bank certificates of deposit) were \$44,804,290 and \$3,502,299, respectively. The School Board had bank balances totaling \$51,978,347 at June 30, 2010 of which \$2,060,901 were covered by federal depository insurance and \$49,917,446 were covered by collateral held by the trust department of agents of the pledging financial institutions in the School Board's name. Securities that may be pledged as collateral are obligations of the United States Government and its agencies, and obligations of the State of Louisiana and its municipalities and school districts. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, *Deposits with Financial Institutions, Investments*

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**3. Cash and Cash Equivalents (continued)**

*(including Repurchase Agreements), and Reverse Purchase Agreements, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.*

Individual funds with significant book cash deficit balances at June 30, 2010 were as follows:

<u>Fund</u>	<u>Cash Deficit</u>
Nonmajor Funds:	
Special Revenue Funds:	
Title I Programs	\$ 688,997
Special Education IDEA-B	1,383,771
Other Federal Programs	776,687
Debt Service Fund:	
West Ouachita Bond	<u>2,140</u>
Total	<u>\$2,851,595</u>

**4. Investments**

The School Board allows funds which are available for investment and above immediate cash requirements to be invested in accordance with the following: a.) first priority shall be to secure safety of principle, b.) the second priority shall be to ensure liquidity of funds to meet the obligations of the School Board, and c.) the third priority shall be the yield of investments.

As of June 30, 2010, the School Board's investments of \$52,608,231 consisted of 100% U. S. Government Instrumentalities and were carried at fair value. Fair value was determined by obtaining year-end market prices.

*Credit risk.* All of the School Board's investments are invested in Government Securities which do not have credit ratings. The School Board's policy states that investment decisions should not incur unreasonable risks of principle in order to obtain investment income.

*Interest rate risk.* In accordance with its investment policy, the School Board manages its exposure to declines in fair values by using the weighted average maturity method. This method takes into account the timing of maturities and the amounts that are required to mature on specific dates to meet liquidity needs. Of the amount invested in U. S. Government instrumentalities, \$20,063,828 matures in less than twelve months. The remaining \$32,544,403 of the total

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**4. Investments (continued)**

portfolio's maturity dates are thirty-six months or less. A laddering strategy which spreads maturity dates is used to meet liquidity requirements and to decrease interest rate risk.

**5. Ad Valorem Taxes**

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property, which is assessed by the Louisiana Tax Commission. The 1974 Louisiana Constitution provides that land and residential property are to be assessed at 10% of fair market value; however, agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years. Based on the reappraised value, the assessor will "roll forward" or "roll back" the tax millage to equal the prior year taxable amount. If the assessor "rolls back" the tax millage, the School Board has the option to "roll forward" the millage rate back to the prior year's rate. The School Board opted to "roll forward" the 2008-09 millage rate back to the 2007-08 rate.

The School Board is permitted by constitutional and statutory authority of the State to levy taxes up to 29.33 mills per \$1,000 of assessed valuation for operations other than the payment of principal and interest on long-term debt. This is the amount which was levied for fiscal 2010.

The School Board was authorized by the citizens of the East Ouachita Bond District to levy taxes sufficient enough to pay the annual principal and interest on the general obligation bonds. The School Board levied 30.0 mills on the 2009 tax roll for the East Ouachita Bond District. The Sheriff of Ouachita Parish, as provided by State law, is the official tax collector of general property taxes levied by the School Board.

The 2009 property tax calendar was as follows:

Millage rates adopted	September 8, 2009
Levy date	November 10, 2009
Tax bills mailed	November 20, 2009
Due date	December 31, 2009
Lien date	January 1, 2010

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**5. Ad Valorem Taxes (continued)**

the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the General Fund and in the East Ouachita Bond Debt Service Fund on the basis explained in Note 1.C. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Delinquent taxes considered to be uncollectible are not recorded as revenues. Property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

**6. Receivables**

The receivables of \$12,500,676 at June 30, 2010, as reported on the Governmental Funds were as follows:

	General Fund	Major Special Revenue Fund - District #1 Sales Tax	Nonmajor Funds - Other Governmental	Total
<b>Taxes:</b>				
Ad valorem	\$222,230	\$ -	\$ 109,955	\$ 332,185
Sales and use	-	1,096,811	5,401,505	6,498,316
Federal grants	55,897	-	4,478,880	4,534,777
Other	163,460	-	971,938	1,135,398
<b>Total</b>	<u>\$441,587</u>	<u>\$1,096,811</u>	<u>\$10,962,278</u>	<u>\$12,500,676</u>

All receivables are expected to be collected within the next fiscal year.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**7. Capital Assets**

The changes in capital assets were as follows:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>Governmental Activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$6,067,839	\$ -	\$ -	\$6,067,839
Construction in progress – Buildings	<u>8,755,292</u>	<u>16,239,066</u>	<u>(6,522,509)</u>	<u>18,471,849</u>
Total capital assets, not being depreciated:	<u>14,823,131</u>	<u>16,239,066</u>	<u>(6,522,509)</u>	<u>24,539,688</u>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	257,210,369	15,453,833	(1,700)	272,662,502
Furniture and equipment	<u>37,800,311</u>	<u>983,846</u>	<u>(395,161)</u>	<u>38,388,996</u>
Total capital assets, being depreciated	<u>295,010,680</u>	<u>16,437,679</u>	<u>(396,861)</u>	<u>311,051,498</u>
<b>Less accumulated depreciation:</b>				
Buildings and improvements	(85,783,323)	(5,711,091)	652	(91,493,762)
Furniture and equipment	<u>(26,044,438)</u>	<u>(2,566,808)</u>	<u>368,031</u>	<u>(28,243,215)</u>
Total accumulated depreciation	<u>(111,827,761)</u>	<u>(8,277,899)</u>	<u>368,683</u>	<u>(119,736,977)</u>
Total capital assets, being depreciated, net	<u>183,182,919</u>	<u>8,159,780</u>	<u>(28,178)</u>	<u>191,314,521</u>
<b>Capital assets, being amortized:</b>				
Intangibles	1,750,155	107,740	-	1,857,895
<b>Less accumulated amortization:</b>				
Intangibles	<u>(442,612)</u>	<u>(183,896)</u>	<u>-</u>	<u>(626,508)</u>
Total capital assets, being amortized, net	<u>1,307,543</u>	<u>(76,156)</u>	<u>-</u>	<u>1,231,387</u>
Governmental activities, capital assets, net	<u>\$199,313,593</u>	<u>\$24,322,690</u>	<u>(\$6,550,687)</u>	<u>\$217,085,596</u>

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**7. Capital Assets (continued)**

Depreciation and amortization expense was charged to governmental activities as follows:

	<u>Depreciation Expense</u>	<u>Amortization Expense</u>
Instructional services:		
Regular programs	\$6,259,546	\$105,093
Special education programs	69,887	8,986
Vocational programs	40,780	2,716
Other instructional programs	160,990	-
Special programs	105,196	13,013
Adult/continuing education	124	-
Support services:		
Pupil support services	19,861	-
Instructional staff support services	111,677	12,589
General administration	10,180	-
School administration	489	-
Business services	32,852	14,548
Plant services	544,130	-
Student transportation services	581,749	-
Central services	263,608	26,951
Non-instructional services:		
Food service operations	<u>76,830</u>	<u>-</u>
Total depreciation and amortization expense	<u>\$8,277,899</u>	<u>\$183,896</u>

During the 2009-10 fiscal year, the School Board entered into contracts totaling \$2,764,754 and in the 11 previous years the School Board entered into contracts totaling \$188,446,044 to construct 8 schools, 2 vocational centers, and 9 multipurpose buildings and to make repairs and renovations to 28 schools. The construction is estimated to take three more years to complete. Work started but not completed during the 2010 fiscal year on contracts totaling \$18,471,849, was capitalized as construction in progress - buildings.

At June 30, 2010, the School Board had \$861,064 in retainages related to construction in progress. The retainages will be paid at the completion of the projects in the 2010-11 fiscal year. At June 30, 2010, these contracts have \$17,689,842 remaining in work to be completed within the next year. The contracts will be paid by the capital project funds and the West Ouachita Sales Tax Special Revenue Fund.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**8. Retirement Systems**

In 1996, the School Board adopted Governmental Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The School Board had no pension liability or asset at the effective date of the transition.

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana (TRSL); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. Teachers' Retirement System of Louisiana (TRSL)**

**Plan Description:**

The TRSL consists of three membership plans: Regular Plan, Plan A, and Plan B. The School Board participates in two of the membership plans — the Regular Plan and Plan A. The TRSL provides retirement benefits as well as disability and survivor benefits. Five years of service credit are required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by State statute.

The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained at their website at [www.trsl.org](http://www.trsl.org), by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

**Funding Policy:**

Plan members are required to contribute 8.0% and 9.1% of their annual covered salary for the Regular Plan and Plan A, respectively. The School Board is required to contribute at an actuarially determined rate. The School Board's contribution rate of annual covered payroll for the regular membership plan and for Plan A for the years ended June 30, 2010, 2009, and 2008, were 15.5%, 15.5%, and 16.6%, respectively. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**8. Retirement Systems (continued)**

Funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRSL for the years ending June 30, 2010, 2009, and 2008, were \$15,132,590, \$15,106,912, and \$15,593,453, respectively, equal to the required contributions for each year.

**B. Louisiana School Employees' Retirement System (LSERS)**

**Plan Description:**

The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained at their website at [www.lasers.state.la.us](http://www.lasers.state.la.us), or by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

**Funding Policy:**

Plan members are required to contribute 7.50% of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The School Board's contribution rate of annual covered payroll for the years ended June 30, 2010, 2009, and 2008 were 17.6%, 17.8%, and 18.1%, respectively. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS, as provided by state law, is funded by the State of Louisiana through annual appropriations and by remittances from the School Board.

The School Board's contribution to LSERS for the years ending June 30, 2010, 2009, and 2008 were \$1,987,619, \$2,093,669, and \$1,903,742, respectively, equal to the required contributions for the year.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**9. Other Post Employment Benefits**

**Plan Description.** Ouachita Parish School Board participates in a fully insured health insurance and life insurance program administered by the Louisiana Office of Group Benefits (OGB).

Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The plan provisions are contained in the official plan documents of the OGB, available at [www.groupbenefits.org](http://www.groupbenefits.org) - "Quick Links" - "Health Plans". The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes and for this valuation. This valuation has been performed using the standard OGB rate structure. In addition, the OGB "Medicare Advantage" plan (see rate exhibit in Appendix II) has been assumed as an alternative to those employees after Medicare eligibility, and we have assumed that 25% of post-Medicare eligibility retirees elect that plan for this alternative calculation. Medical benefits are provided to employees upon actual retirement. Employees have been assumed to be covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

**Contribution Rates.** Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Fund Policy.** Until Fiscal Year Ending June 30, 2007, the Ouachita Parish School Board recognized the cost of providing post-employment medical and life benefits (the Ouachita Parish School Board's portion of the retiree premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning July 1, 2007, the Ouachita Parish School Board implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**9. Other Post Employment Benefits (continued)**

(GASB 45). The funding policy is not to fund the Annual Required Contribution (ARC) except to the extent of the current year's retiree funding costs.

In Fiscal Year Ending June 30, 2010, the Ouachita Parish School Board's portion of retiree premiums totaled \$5,476,989. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table on the following page.

**Annual Required Contribution.** The Ouachita Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2009 is \$11,378,019 as set forth below:

Normal Cost	\$2,934,224
30-year UAL amortization amount	<u>8,443,795</u>
Annual required contribution (ARC)	<u><b>\$11,378,019</b></u>

**Net Post-employment Benefit Obligation (Asset).** The table below shows the Ouachita Parish School Board's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2010:

1. Beginning Net OPEB Obligation (Asset) 7/1/2009		\$40,597,237
2. Annual required contribution	\$11,378,019	
3. Interest on Net OPEB Obligation (Asset): 0.04 X [1]	1,606,462	
4. ARC Adjustment: [1]/17.292	<u>(2,322,522)</u>	
5. OPEB Cost: [2]+[3]-[4]	10,661,929	
6. Contribution	0	
7. Current year retiree premium	<u>(5,476,989)</u>	
8. Change in Net OPEB Obligation: [5]-[6]-[7]		<u>5,184,940</u>
9. Ending Net OPEB Obligation (Asset) 6/30/2010: [1]+[8]		<u><b>\$45,782,177</b></u>

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**9. Other Post Employment Benefits (continued)**

The following table shows the Ouachita Parish School Board's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2010	\$10,661,929	51.37%	\$45,782,177

**Funded Status and Funding Progress.** In the fiscal year ending June 30, 2010, the Ouachita Parish School Board made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2010, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$151,851,990, which is defined as that portion, as determined by a particular actuarial cost method (the Ouachita Parish School Board uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2009, the entire actuarial accrued liability of \$151,851,990 was unfunded.

Actuarial Accrued Liability (AAL)	\$151,851,990
Actuarial Value of Plan Assets	\$0
Unfunded Act. Accrued Liability (UAAL)	<u>\$151,851,990</u>
Funded Ratio (Act. Val. Assets/AAL)	0%
 Covered Payroll (active plan members)	 \$119,364,136
UAAL as a percentage of covered payroll	127.22%

**Actuarial Methods and Assumptions.** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**9. Other Post Employment Benefits (continued)**

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Ouachita Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Ouachita Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Ouachita Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method.** The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets.** Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

**Turnover Rate.** An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	20.0%
26 - 40	12.0%
41 - 54	9.0%
55+	7.0%

**Post employment Benefit Plan Eligibility Requirements.** It is assumed that entitlement to benefits will commence five years after earliest eligibility to enter the D.R.O.P. This consists of a three year D.R.O.P. period plus two additional years. Medical benefits are provided to employees upon actual retirement. Employees have been assumed to be covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. Entitlement to benefits continues through Medicare to death.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**9. Other Post Employment Benefits (continued)**

**Investment Return Assumption (Discount Rate).** GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the rate of return used in the course of its financial activity.

**Health Care Cost Trend Rate.** The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2009 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

**Mortality Rate.** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which the Internal Revenue Service has used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

**Method of Determining Value of Benefits.** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The "State Share" premiums in the OGB medical rate schedule provided are "unblended" rates for active and retired as required by GASB 45 and have been used for valuation purposes.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**10. Deferred Compensation Plan**

The School Board offers a deferred compensation plan for employees under the provisions of Internal Revenue Service Code 457 (Deferred Compensation Plan).

Part-time and substitute employees are required to contribute 7.5% of their compensation to the Deferred Compensation Plan. Full-time employees may voluntarily make contributions to the Deferred Compensation Plan. The School Board does not contribute to the Deferred Compensation Plan. At June 30, 2010, the Plan had assets with an approximate market value of \$2,278,503. The assets in the Plan are held in trust solely for the benefit of participants and their beneficiaries. Therefore, in accordance with GASB Statement No. 32 they are not reported in the School Board's financial statements.

**11. Agency Fund Deposits Due Others (FFS level only)**

A summary of changes in agency fund deposits due others follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Agency Funds:				
School Activity	\$3,392,499	\$10,685,163	(\$10,575,363)	\$3,502,299
Migrant Funds of Other Parishes	<u>-</u>	<u>12,943</u>	<u>(12,943)</u>	<u>-</u>
Total	<u>\$3,392,499</u>	<u>\$10,698,106</u>	<u>(\$10,588,306)</u>	<u>\$3,502,299</u>

**12. General Long-Term Obligations**

The general obligation bonds are obligations of East Ouachita Bond District, with maturities from 2010 to 2034 and interest rates from 2.75% to 5.75%. General obligation bonds' principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the respective taxing districts. In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term general obligation bonded debt in excess of 35% of the total assessed value of all property in the taxing district. At June 30, 2010, the statutory limit and debt margins are as follows:



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**12. General Long-Term Obligations (continued)**

	<u>East Ouachita Bond</u>
Assessed Value	<u>\$234,566,062</u>
35% of assessed value	\$ 82,098,122
Outstanding General Obligation Bonds	<u>(70,235,000)</u>
Debt Margin	<u>\$ 11,863,122</u>

The following shows the changes in general obligation bonds, revenue bonds, and limited tax certificates of indebtedness:

Original Issue	Outstanding July 1, 2009	Borrowings	Payments	Outstanding June 30, 2010	Interest Rate On Unpaid Debt	Total Future Interest
<b>General obligation bonds:</b>						
5.2%-7.0% issued 3/1/00; due 2010-2025	\$480,000	\$ -	\$ (480,000)	\$ -	-	\$ -
3.0%-4.5% issued 4/26/05; due 2010-2025	12,215,000	-	(95,000)	12,120,000	3.50%- 4.50%	4,547,943
3.625%-4.750% issued 3/14/06; due 2010-2024	21,525,000	-	(1,045,000)	20,480,000	3.625%- 4.75%	7,137,276
3.75%-6.0 % issued 10/1/07; due 2010-2032	9,540,000	-	(225,000)	9,315,000	3.75%- 5.00%	5,102,571
4.0%-6.0% issued 1/1/08; due 2010-2032	9,780,000	-	(230,000)	9,550,000	4.00%- 5.625%	5,350,464
4.0%-5.0% issued 1/1/09; due 2010-2033	9,785,000	-	(215,000)	9,570,000	4.00%- 5.00%	6,385,701
2.750%-4.375% issued 1/11/10 due 2011-2034	-	9,200,000	-	9,200,000	2.750%- 4.375%	5,658,307
Deferred amount of refunding	<u>(83,093)</u>	<u>-</u>	<u>83,093</u>	<u>-</u>		<u>-</u>
Total general obligation bonds	<u>63,241,907</u>	<u>9,200,000</u>	<u>(2,206,907)</u>	<u>70,235,000</u>		<u>34,182,262</u>

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**12. General Long-Term Obligations (continued)**

Original Issue	Outstanding July 1, 2009	Borrowings	Payments	Outstanding June 30, 2010	Interest Rate On Unpaid Debt	Total Future Interest
<b>Revenue bonds:</b>						
4.25 %-7.0% issued 9/1/98; due 2010-2011	\$2,670,000	\$ -	(\$845,000)	\$1,825,000	4.35%- 4.40%	\$81,068
4.5 %-6.0% issued 4/1/99; due 2010-2011	2,275,000	-	(730,000)	1,545,000	4.50%	70,312
4.9%-5.75% issued 9/1/00; due 2010-2011	605,000	-	(295,000)	310,000	5.75%	8,913
4.1%-7.0% issued 3/1/01; due 2010-2024	6,445,000	-	(245,000)	6,200,000	4.20%- 5.00%	2,758,183
5.25%-7.0% issued 3/01/02; due 2010-2024	2,680,000	-	(55,000)	2,625,000	5.25%- 7.00%	1,713,905
3.75%-4.15% issued 3/14/06; due 2010-2024	8,155,000	-	(55,000)	8,100,000	3.75%- 4.15%	2,966,454
4.0%-6.0% issued 10/01/07; due 2010-2024	11,500,000	-	(485,000)	11,015,000	4.00%- 4.15%	3,742,152
3.25%-4.25% issued 10/11/08 due 2010-2024	5,000,000	-	(215,000)	4,785,000	3.25%- 4.25%	1,599,150
3.00%-4.25% issued 3/30/09 due 2010-2023	29,490,000	-	(100,000)	29,390,000	3.00%- 4.50%	9,783,269
1% Taxable QSCB issued 11/09/2009 due 2010-2024	-	10,000,000	-	10,000,000	0.60%	898,665
Deferred amount of refunding	(644,048)	-	150,740	(493,308)	-	-
Unamortized bond discount	(334)	-	334	-	-	-
<b>Total revenue bonds</b>	<b>68,175,618</b>	<b>10,000,000</b>	<b>(2,873,926)</b>	<b>75,301,692</b>	<b>-</b>	<b>23,622,071</b>

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**12. General Long-Term Obligations (continued)**

Original Issue	Outstanding July 1, 2009	Borrowings	Payments	Outstanding June 30, 2010	Interest Rate On Unpaid Debt	Total Future Interest
Limited Tax Certificates:						
3.5%-4.4% issued 3-1-02; Due 2010-2012	\$ 2,460,000	\$ -	(\$ 780,000)	\$ 1,680,000	4.30%- 4.40%	\$ 110,940
3.0%-3.7% issued 3-28-03; due 2010-2012	3,460,000	-	(1,100,000)	2,360,000	3.65%- 3.70%	131,515
Total limited tax certificates of indebtedness	5,920,000	-	(1,880,000)	4,040,000		242,455
Total all bonds and certificates of indebtedness	<u>\$137,337,525</u>	<u>\$19,200,000</u>	<u>(\$6,960,833)</u>	<u>\$149,576,692</u>		<u>\$58,046,788</u>

(concluded)

Principal and interest are due in total, to maturity, as follows:

Year Ended June 30	Principal Payments	Interest Payments	Total
2011	\$8,466,666	\$5,785,657	\$14,252,323
2012	8,836,666	5,463,075	14,299,741
2013	7,021,666	5,137,160	12,158,826
2014	7,296,666	4,819,568	12,116,234
2015	7,571,666	4,637,103	12,208,769
2016-2020	42,648,335	18,818,366	61,466,701
2021-2025	50,358,335	9,720,983	60,079,318
2026-2030	10,745,000	3,018,932	13,763,932
2031-2034	7,125,000	645,944	7,770,944
Total	<u>\$150,070,000</u>	<u>\$58,046,788</u>	<u>\$208,116,788</u>

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**12. General Long-Term Obligations (continued)**

The following is a summary of governmental activities long-term obligation transactions for the year ended June 30, 2010:

Long-term Obligations	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010	Amounts Due Within One Year
Claims liability	\$826,424	\$785,461	(\$652,074)	\$959,811	\$550,000
Compensated absences	6,630,486	323,966	(355,029)	6,599,423	360,000
Other post employment benefits	40,597,237	10,661,929	(5,476,989)	45,782,177	-
Bonded debt/limited tax certificates	137,337,525	19,200,000	(6,960,833)	149,576,692	8,466,666
Other	428,905	824,711	(287,119)	966,497	879,777
<b>Total</b>	<u>\$185,820,577</u>	<u>\$31,796,067</u>	<u>(\$13,732,044)</u>	<u>\$203,884,600</u>	<u>\$10,105,703</u>

Other long-term obligations at June 30, 2010, consist of bond premiums of \$105,433 and retainage payable of \$861,064.

The following is a summary of governmental activities bond discount transactions for the year ended June 30, 2010:

Bond discount outstanding, July 1, 2009	\$334
Additions	-
Deductions	(334)
Bond discount outstanding, June 30, 2010	<u>\$ -</u>

Payments on the general obligation bonds payable that pertain to the School Board's governmental activities are made by the East Ouachita Bond Debt Service Fund. Payments on the revenue bonds payable and the tax liability certificates of indebtedness that pertain to the School Board's governmental activities are funded by transfers from the West Ouachita Sales Tax Special Revenue Fund to the West Ouachita Bond No. 2 Debt Service Fund. The compensated absences liability attributable to the governmental activities will be liquidated by the School Board's General Fund.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**12. General Long-Term Obligations (continued)**

The School Board does not have plans to place funds in an irrevocable trust to liquidate the other post employment benefits liability. The School Board plans to continue on a pay-as-you go basis for OPEB benefits.

**13. Interfund Assets/Liabilities (FFS level only)**

Individual balances due from/to other funds at June 30, 2010 were as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
<b>Major Funds:</b>		
General Fund	\$ -	\$3,104,126
<b>Nonmajor Funds:</b>		
Special Revenue Funds:		
Title I Programs:		
Deficit cash balances	688,997	
Indirect cost	78,878	
Total Title I Programs	<u>767,875</u>	
Special Education IDEA B:		
Deficit cash balances	1,383,771	
Indirect cost	101,237	
Total Special Education IDEA-B	<u>1,485,008</u>	
Other Federal Programs:		
Deficit cash balance	776,687	
Indirect cost	72,272	
Total Other Federal Programs	<u>848,959</u>	
State Grants:		
Indirect cost	<u>144</u>	
Debt Service Funds:		
West Ouachita Bond:		
Deficit cash balance	<u>2,140</u>	
<b>Total</b>	<u><u>\$3,104,126</u></u>	<u><u>\$3,104,126</u></u>

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**13. Interfund Assets/Liabilities (FFS level only) (continued)**

The balances due for cash deficits are due to not receiving reimbursement by year end from the grantor for reimbursement type grants. The General Fund pays for the expenditure for the grant fund until the reimbursement is received. Indirect cost balances represent the outstanding indirect cost payments due to the General Fund for outstanding grant requests for funds filed but not received from grantors by year end. All interfund transactions at year end will be completed during the 2010-11 fiscal year.

**14. Nonspendable, Restricted, Committed, and Assigned Fund Balances (FFS level only)**

The following Governmental Funds' fund balances are nonspendable, legally restricted, Board committed, or assigned for the following purposes:

<u>Fund</u>	<u>Nonspendable</u>	<u>Amount</u>
Nonmajor Funds:		
Special Revenue Funds:		
School Food Service	Food inventory	<u>\$72,012</u>
<u>Fund</u>	<u>Restricted for</u>	<u>Amount</u>
Major Funds:		
General Fund	Protested taxes-needs updating	\$250,313
General Fund	State grants - Gifted & Talented and Act 13	139,977
General Fund	Scholarship and donations	<u>19,244</u>
Total General Fund		<u>409,534</u>
Capital Projects Fund:		
East Ouachita 2009 Construction	Capital projects	<u>11,244,756</u>

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**14. Nonspendable, Restricted, Committed, and Assigned Fund Balances  
(FFS level only) (continued)**

<u>Fund</u>	<u>Restricted for</u>	<u>Amount</u>
<b>Nonmajor Funds:</b>		
<b>Special Revenue Funds:</b>		
Supplemental Salaries Sales Tax – 1%	Salaries and related benefits	\$3,924,731
Supplemental Salaries Sales Tax – .5%	Salaries	1,565,022
West Ouachita Sales Tax	Construction, repairs, & debt service payments	5,471,150
School Food Service	Food services	847,746
Other Federal Programs	Pre-school programs	2,244
State Grants	Various restricted state grants	1,184,310
Local Grants	Various restricted local grants	113,488
Total Nonmajor Special Revenue		<u>13,108,691</u>
<b>Debt Service Funds</b>		
East Ouachita Bond	Debt service	4,731,378
West Ouachita Bond No. 2	Debt service reserve requirement	6,177,583
Total Nonmajor Debt Service		<u>10,908,961</u>
<b>Capital Projects Funds:</b>		
West Ouachita Construction 2009	Capital projects	9,546,970
West Ouachita Construction 2008	Capital projects	826,253
Total Nonmajor Capital Projects		<u>10,373,223</u>
Total Restricted Fund Balances		<u>\$46,045,165</u> (continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**14. Nonspendable, Restricted, Committed, and Assigned Fund Balances  
(FFS level only) (continued)**

The School Board has committed the following Governmental Funds fund balances for these specific purposes:

<u>Fund</u>	<u>Committed for</u>	<u>Amount</u>
Major Funds:		
General Fund	Driver's Education	\$188,334
General Fund	Major air conditioning repairs	752,508
General Fund	Diplomas	757
Total General Fund		<u>941,599</u>
District #1 Sales Tax	Instructional costs	3,494,297
District #1 Sales Tax	Capital improvements and facility acquisition	2,573,636
District #1 Sales Tax	Mandated costs	5,824,931
District #1 Sales Tax	Restoration of salary reductions	4,642,454
District #1 Sales Tax	Maintenance and operation	773,562
Total District #1 Sales Tax		<u>17,308,880</u>
Total Committed Fund Balances		<u>\$18,250,479</u> <u>(concluded)</u>

Management of the School Board has assigned \$1,500,000 of the General Fund's fund balance for major air conditioning repairs. The School Board is in the process of replacing fan coils in many of the air conditioning units.

**15. Litigation and Contingencies**

The School Board is a defendant in several lawsuits. Management for the School Board believes that the potential claims against the School Board not covered by insurance have been adequately accrued at June 30, 2010.

As more fully described in Note 1.R., the School Board is exposed to various risks through its self-insurance plan for damage to property from natural disasters, fire and errors and omissions.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)  
Fiscal Year Ended June 30, 2010**

**16. Interfund Transfers (FFS level only)**

Transfers to/from other Governmental Funds for the year ended June 30, 2010 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds:</b>		
General Fund	\$ -	\$2,965,057
<b>Nonmajor Funds:</b>		
Special Revenue Funds:		
West Ouachita Sales Tax	-	8,416,275
Debt Service Funds:		
West Ouachita Bond	38,988	-
West Ouachita Bond No. 2	7,796,618	-
Capital Projects Funds:		
East Ouachita 2009 Construction	4,637	-
West Ouachita 2007 Construction	573,841	-
Sale of "Old" Claiborne Elementary	6,828	-
Proprietary Fund:		
Internal Service Fund	2,960,420	-
<b>Total</b>	<u>\$11,381,332</u>	<u>\$11,381,332</u>

Transfers totaling \$7,796,618 were made from the West Ouachita Sales Tax Special Revenue Fund to the West Ouachita Bond No. 2 Debt Service Fund as principal and interest payments became due. Another transfer for \$38,988 was made from the West Ouachita Sales Tax Special Revenue Fund to the West Ouachita Bond Debt Service Fund to increase the bond reserve as required by the bond agreement. The West Ouachita Sales Tax Special Revenue Fund also transferred \$573,841 and \$6,828 to the West Ouachita 2007 Construction and to the Sale of "old" Claiborne Elementary Capital Projects Funds, respectively, to cover additional construction costs. A transfer of \$4,637 was made from the General Fund to the East Ouachita 2009 Capital Projects Fund to cover additional construction costs. To fund the claims liability and insurance premiums in the Internal Service Fund, a transfer of \$2,960,420 was made from the General Fund.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to the Basic Financial Statements (concluded)  
Fiscal Year Ended June 30, 2010**

**17. Subsequent Events**

On November 2, 2010, the School Board authorized the sale and issuance of \$8.6 million Revenue Bonds, Series 2010. The bonds will be used to refinance the Series 2001 and Series 2002 Revenue Bonds initially issued in the amount of \$8 million and \$3 million, respectively. The bonds will be repaid over a 14 year period at an overall interest rate of 3.40 percent. The refinancing resulted in a net savings of approximately \$650,000 to the West Ouachita Bond District. The bonds will be repaid by the West Ouachita Sales Tax authorized by the citizens in the West Ouachita Bond District.



**COMMITTED**  
*to Academic Excellence  
for ALL Students!*

*Our Mission:  
Through collaboration  
among all stakeholders, the  
Ouachita Parish School System  
will ensure that all students attain  
the knowledge and skills needed  
to be productive citizens.*

**Ouachita Parish School Board  
Monroe, Louisiana**

**Fiscal Year Ended June 30, 2010**

**REQUIRED SUPPLEMENTAL  
INFORMATION  
(PART B)**

**THIS PAGE WAS INTENTIONALLY LEFT BLANK.**

**Ouachita Parish School Board  
Monroe, Louisiana**

**Budgetary Comparison Schedule  
Fiscal Year Ended June 30, 2010**

**General Fund and Major Special Revenue Funds With Legally Adopted Budgets**

**General Fund**

The General Fund accounts for all activities of the School Board except for those that are accounted for in other funds.

**Special Revenue Funds**

Special Revenue Funds account for and report the proceeds of specific revenue sources (other than special assessments) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. These funds, for the most part, are established for specific educational purposes and funded through the U. S. Department of Education or the Louisiana State Department of Education. The School Board is centrally located in Northeast Louisiana and acts as a regional fiscal agent for the State Department of Education for many educational programs.

**District #1 Sales Tax Fund**

The District #1 Sales Tax Fund collects, records and disburses funds related to the .5% sales tax renewed in October 2001 for 10 years to provide additional support for the school system. The School Board designated the tax for capital improvements and facility and equipment support—38%, classroom instruction—36%, mandated costs—14%, and salary restoration—12%.

**Ouachita Parish School Board  
Monroe, Louisiana**

**GENERAL FUND  
Budgetary Comparison Schedule (GAAP Basis)**

**Fiscal Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Budgetary fund balance at beginning of year - restated</b>	<b>\$ 17,835,303</b>	<b>\$ 17,870,077</b>	<b>\$ 17,870,077</b>	<b>\$ -</b>
<b>Resources (inflows)</b>				
Local sources:				
Ad valorem taxes	14,150,000	14,004,261	14,719,159	714,898
1% ad valorem tax - tax collector	467,000	467,000	515,735	48,735
Earnings on investments	530,000	275,000	265,099	(9,901)
Other	1,639,100	1,846,420	1,817,856	171,236
Total local sources	16,786,100	16,392,681	17,317,849	924,868
State sources:				
State equalization	107,901,946	109,972,904	109,972,907	3
Revenue sharing	829,900	819,259	818,245	(1,014)
Professional Improvement Program	330,000	290,953	288,376	(2,577)
State contribution for teacher retirement	-	-	36,710	36,710
Restricted grants-in-aid	90,000	80,400	68,410	(21,990)
Unrestricted grants-in-aid	-	8,950	-	(8,950)
Total state sources	109,151,846	111,172,466	111,174,648	2,182
Federal sources:				
Other federal support	300,000	285,000	291,529	26,529
Total Federal sources	300,000	285,000	291,529	26,529
<b>Other financing sources</b>				
Transfers in	1,178,733	1,333,694	-	(1,333,694)
<b>Amounts available for appropriations</b>	<b>145,251,982</b>	<b>147,033,918</b>	<b>146,653,903</b>	<b>(380,015)</b>
<b>Charges to appropriations (outflows)</b>				
Current:				
Instructional services:				
Regular programs	61,851,279	61,526,607	59,679,745	1,846,862
Special education programs	13,710,721	14,399,126	15,316,208	(917,080)
Vocational programs	1,150,741	1,211,434	1,194,829	16,805
Other instructional programs	1,148,255	1,214,840	1,145,702	69,138
Special programs	3,400	3,400	188,740	(185,340)
Adult/continuing education	36,174	48,824	83,874	(17,050)
Support services:				
Pupil support services	3,688,913	3,983,447	4,017,890	(64,443)
Instructional staff support services	3,652,829	3,728,178	4,057,035	(328,857)
General administration	2,483,156	3,443,638	981,517	2,462,021
School administration	9,219,345	9,652,699	9,622,597	(69,898)
Business services	1,833,188	1,810,119	1,606,311	203,808
Plant services	16,441,230	15,898,855	17,735,975	(1,837,120)
Student transportation services	7,159,196	8,910,257	7,415,335	(505,078)
Central services	2,553,435	2,539,624	2,423,529	116,095
Noninstructional services:				
Food service operations	767,800	703,150	923,652	(220,502)
Community service programs	21,350	23,875	23,851	24
Debt service:				
Legal fees	500,000	-	875	(875)
<b>Other financing uses</b>				
Transfers out	1,786,933	2,026,831	2,965,057	(938,226)
<b>Total charges to appropriations</b>	<b>127,787,943</b>	<b>129,002,804</b>	<b>129,342,520</b>	<b>(339,716)</b>
<b>Budgetary fund balance at end of year</b>	<b>\$ 17,464,039</b>	<b>\$ 18,031,114</b>	<b>\$ 17,311,383</b>	<b>\$ (719,731)</b>

See accompanying notes to the budgetary comparison schedules.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Special Revenue Fund -  
District #1 Sales Tax  
Budgetary Comparison Schedule (GAAP Basis)**

**Fiscal Year Ended June 30, 2010**

	<b>Budgeted Amounts</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Budgetary fund balance at beginning of year - restated</b>	<b>\$ 13,772,955</b>	<b>\$ 14,408,004</b>	<b>\$ 14,408,004</b>	<b>\$ -</b>
<b>Resources (inflows)</b>				
Local sources:				
Sales and use taxes	6,393,000	5,438,000	5,761,805	323,805
Earnings on investments	200,000	25,000	51,057	26,057
Total local sources	<u>6,593,000</u>	<u>5,463,000</u>	<u>5,812,862</u>	<u>349,862</u>
<b>Other financing sources</b>				
Transfers in	<u>605,200</u>	<u>701,521</u>	<u>-</u>	<u>(701,521)</u>
Amounts available for appropriations	<u>20,971,155</u>	<u>20,572,525</u>	<u>20,220,866</u>	<u>(351,659)</u>
<b>Charges to appropriations (outflows)</b>				
Current:				
Instructional services:				
Regular programs	4,796,921	2,190,431	452,120	1,738,311
Special education programs	297,580	236,550	109,611	126,939
Other instructional programs	386,701	341,811	251,153	90,658
Support services:				
Pupil support services	510,222	519,650	439,538	80,112
Instructional staff support services	202,221	240,651	123,336	117,315
General administration	600	650	577	73
School administration	87,100	86,750	51,269	35,481
Business services	19,875	19,300	17,841	1,459
Plant services	1,818,780	2,683,289	828,635	1,854,654
Student transportation services	873,415	464,365	463,690	675
Central services	10,825	11,200	10,707	493
Noninstructional services:				
Food service operations	126,800	135,900	133,175	2,725
Facility acquisition and construction	<u>133,000</u>	<u>60,000</u>	<u>30,334</u>	<u>29,666</u>
Total charges to appropriations	<u>9,264,040</u>	<u>6,990,547</u>	<u>2,911,986</u>	<u>4,078,561</u>
<b>Budgetary fund balance at end of year</b>	<b>\$ 11,707,115</b>	<b>\$ 13,581,978</b>	<b>\$ 17,308,880</b>	<b>\$ 3,726,902</b>

See accompanying notes to the budgetary comparison schedules.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Budgetary Comparison Schedules  
Fiscal Year Ended June 30, 2010**

**Budget and Budgetary Accounting**

The School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

In September, the Business Manager submits to the School Board proposed annual appropriated budgets for the General Fund, the Special Revenue Funds, and the Debt Service Funds for the fiscal year commencing the prior July 1. A public hearing is conducted to obtain taxpayer comments. Prior to September 15, the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopt a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. The budget is revised periodically throughout the school year, when deemed appropriate, but a balanced budget is always approved.

The General Fund budget is adopted on a basis consistent with GAAP. Unencumbered appropriations in the General Fund lapse at the end of the fiscal year, whereas, encumbered appropriations are carried forward to the following year. Budgeted amounts are as originally adopted or as amended by the School Board.

The Special Revenue Funds' and Debt Service Funds' budgets have annual appropriated budgets adopted on a basis consistent with GAAP. Except for grant-oriented funds, unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are utilized when goods or services are received. Grant-oriented fund budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriations of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Debt Service Funds. All budgets are operational at the departmental or project level. The Superintendent and Business Manager of the School Board are authorized to transfer budget amounts between line item activity and between any functions of an individual fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board resolution. The effects of budget revisions passed during the year were insignificant to the budgets as originally approved.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Budgetary Comparison Schedule (continued)  
Fiscal Year Ended June 30, 2010**

**Expenditures - Budget and Actual**

The following individual major fund had actual expenditures over total budgeted appropriations for the year ended June 30, 2010. The variance is disclosed at the legal level of budgetary control as previously described in the Notes to Budgetary Comparison Schedule.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major Funds:			
General Fund	\$129,002,804	\$129,495,520	(\$492,716)

The General Fund's actual expenditures exceeded budgeted expenditures due to management of the School Board deciding to fund the alternative school from the General Fund instead of the District #1 Sales Tax Special Revenue Fund.

(concluded)

**THIS PAGE WAS INTENTIONALLY LEFT BLANK.**

## OTHER SUPPLEMENTAL INFORMATION

**THIS PAGE WAS INTENTIONALLY LEFT BLANK.**

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Phillip A. Ragsdale, CPA  
David Ray Soignier, CPA, MBA

John Herman, CPA  
Lynn Andries, CPA  
Esther Atteberry, CPA  
Sandra Harrington, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### **Ouachita Parish School Board Monroe, Louisiana**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Ouachita Parish School Board** (the School Board) as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompany Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the School Board's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questions Costs listed as 10-01 and 10-02 to be material weaknesses.

**Ouachita Parish School Board  
Monroe, Louisiana**

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 10-01.

We noted certain other matters that we reported to management of the School Board in a separate letter dated December 27, 2010.

The School Board's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School Board's responses and, accordingly, we express no opinion on them.

*This report is intended solely for the information and use of management of the School Board, others within the entity, federal awarding agencies and pass-through entities, and other entities granting funds to the School Board and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.*

*Truffey Haffner, Registered Accountants*

(A Professional Accounting Corporation)

December 27, 2010

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Philip A. Ragsdale, CPA  
David Ray Soignier, CPA, MBA

John Herman, CPA  
Lynn Andries, CPA  
Esther Atteberry, CPA  
Sandra Harrington, CPA

## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

**Ouachita Parish School Board**  
**Monroe, Louisiana**

### Compliance

We have audited the **Ouachita Parish School Board's** (the School Board) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2010. The School Board's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Internal Control Over Compliance**

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of management of the School Board, others within the entity, federal awarding agencies and pass-through entities, and other entities granting funds to the School Board and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Huffman, Huffman, Rozdale, & Squire*

(A Professional Accounting Corporation)

**December 27, 2010**

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>C.F.D.A. NUMBER</b>	<b>FEDERAL GRANT NUMBER</b>	<b>PASS- THROUGH NUMBER</b>	<b>PROGRAM DISBURSEMENTS</b>
<b>CASH FEDERAL AWARDS</b>				
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed through Louisiana Department of Education:				
300 School Breakfast Program	10.553A	Not Available	Not Available	\$ 1,467,345
300 National School Lunch Program	10.555A	Not Available	Not Available	4,028,251
301 Summer Food Service Program for Children	10.559A	Not Available	Not Available	150,811
303 Child Nutrition Discretionary Grants: ARRA-Equipment Assistance Grants for School Food Authorities	10.579B	Not Available	Not Available	48,631
302 Fresh Fruit and Vegetable Program	10.582B	Not Available	Not Available	101,438
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				<b>5,796,476</b>
<b>U.S. DEPARTMENT OF DEFENSE</b>				
Direct Programs:				
130 Air Force Junior Reserve Officer Training Corps	Not Available	LA050061	None	66,902
130 Army Junior Reserve Officer Training Corps	Not Available	LA331676	None	52,968
130 Naval Junior Reserve Officer Training Corps	Not Available	JROTC091M	None	858
130 Naval Junior Reserve Officer Training Corps	Not Available	JROTC101M	None	1,386
130 Naval Junior Reserve Officer Training Corps	Not Available	N4982309MJRTC	None	12,103
130 Naval Junior Reserve Officer Training Corps	Not Available	N4982310MJRTC	None	54,442
130 Naval Junior Reserve Officer Training Corps	Not Available	N4987709MJRTC	None	24,802
130 Naval Junior Reserve Officer Training Corps	Not Available	N9637710MJRTC	None	78,068
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>				<b>291,529</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Passed through Ouachita Parish Sheriff's Office:				
584 Public Safety Partnership and Community Policing Grants: Methamphetamine Initiative	16.710B	2007CKWX0284	None	14,987
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>				<b>14,987</b>
<b>U.S. DEPARTMENT OF LABOR</b>				
Passed through Northeast Louisiana Workforce Centers, Inc.:				
Passed through Louisiana Delta Community College:				
594 Community-Based Job Training Grants Building a Louisiana Workforce Initiative	17.269B	SGA/DFA PY 08-02	None	23,489
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				<b>23,489</b>
<b>U. S. DEPARTMENT OF EDUCATION</b>				
Direct Programs:				
645 Safe and Drug-Free Schools and Communities-National Programs: Mentoring Program Grants	84.184B	Q184B070789	None	257,327
Funds for the Improvement of Education-Programs of National Significance:				
644 At Home with Children's Literacy: School Success through Family Involvement	84.215K	U215K080047	None	17,775
664 Adult and Family Literacy Services		U215K100003	None	231,340
				249,115
Advanced Placement Program:				
643 Advanced Placement Program	84.330C	S330C060138	None	130,051

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>C.F.D.A. NUMBER</b>	<b>FEDERAL GRANT NUMBER</b>	<b>PASS- THROUGH NUMBER</b>	<b>PROGRAM DISBURSEMENTS</b>
<b>U. S. DEPARTMENT OF EDUCATION (continued)</b>				
<b>Passed through Louisiana Department of Education:</b>				
<b>Adult Education-State Grant Program:</b>				
	84.002A			
540 Adult Education-Federal Funds (2008-09)		V002A080018	280944-37	29,933
541/564 Adult Education-Federal Funds Carry Over (2008-09)		V002A080018	280944-37C	18,346
520/560 Adult Education-Federal Funds (2009-10)		V002A090018	281044-37	472,621
541 Adult Education-Federal Funds-Corrections (2008-09)		V002A080018	280923-37	1,098
542 Adult Education-Federal Supplemental (2008-09)		V002A080018	280921-37	382
522/562 Adult Education-Federal Supplemental (2009-10)		V002A090018	281021-37	11,468
542/564 Adult Education-Federal Supplemental Carry Over (2008-09)		V002A080018	280921-37C	4,878
524 Federal English Language/Civics Program (2009-10)		V002A090018	281007-37	19,953
556 One Stop Centers (2008-09)		V002A080018	280913-37	1,075
556 One Stop Centers - Carry Over (2008-09)		V002A080018	280913-37C	506
526 One Stop Centers (2009-10)		V002A090018	281013-37	3,831
				<u>564,091</u>
<b>Title I Grants to Local Educational Agencies:</b>				
	84.010A			
601 Title I Part A Basic (2008-09)		S010A080018	2809T1-37	556,809
601 Title I Part A Basic (2009-10)		S010A090018	2810T1-37	3,992,607
				<u>4,549,416</u>
<b>Migrant Education-State Grant Program:</b>				
	84.011A			
677 MSIX State Data Quality Grant		S144Q070018	2809MX-37	3,750
676 Migrant Education (2008-09)		S011A080018A	2809M1-37	77,860
656 Migrant Education (2009-10)		S011A090018A	2810M1-37	108,419
				<u>190,029</u>
<b>Special Education-Grants to States:</b>				
	84.027A			
530 IDEA Part B (2008-09)		H027A080033	2809B1-37	791,122
530 IDEA Part B (2009-10)		H027A090033	2810B1-37	2,558,684
764 IDEA Part B - Nationally Certified Speech Pathologists & Audiologists		H027A080033A	2809SP-37	62,748
768 IDEA Part B - National School Psychologists		H027A080033A	2809NP-37	41,553
769 IDEA Part B - National Board Certified School Social Workers		H027A080033A	2809SW-37	16,532
				<u>3,470,639</u>
<b>Vocational Education-Basic Grants to States:</b>				
	84.048A			
510 Carl Perkins Grant - FY 2008-09 Reallocation		V048A080018	280902-37	16,698
510 Carl D. Perkins Vocational Technical Education (2009-10)		V048A090018A	281002-37	203,947
				<u>220,645</u>
<b>Special Education-Preschool Grants:</b>				
	84.173A			
532 Preschool (2008-09)		H173A080082	2809P1-37	22,788
532 Preschool (2009-10)		H173A090082	2810P1-37	19,405
				<u>42,193</u>
<b>Safe and Drug-Free Schools and Communities-State Grants:</b>				
	84.186A			
604 Title IV (2008-09)		Q186A080019	280970-37	45,266
604 Title IV (2009-10)		Q186A090019	281070-37	74,411
				<u>119,677</u>
<b>Education for Homeless Children and Youth:</b>				
	84.196A			
674 Homeless (2008-09)		S196A080019	2809H1-37	5,872
654 Homeless (2009-10)		S196A090019	2810H1-37	56,503
				<u>62,375</u>
<b>Even Start-State Educational Agencies:</b>				
	84.213C			
670 Even Start Family Literacy (2008-09)		S213C080019A	2809F1-37	48,031
650 Even Start (2009-10)		S213C090019A	2810F1-37	433,039
				<u>481,070</u>
<b>Even Start Migrant Education:</b>				
	84.214A			
<b>Passed through Morehouse Parish School Board:</b>				
653 Migrant Education Even Start		S214A060032	None	58,182
<b>Funds for the Improvement of Education-American History and Civics Education Act:</b>				
	84.215X			
<b>Passed through Louisiana Endowment for the Humanities:</b>				
<b>North Louisiana Exploring the American Experience</b>				
		U215X090098	None	8,949

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>C.F.D.A. NUMBER</b>	<b>FEDERAL GRANT NUMBER</b>	<b>PASS- THROUGH NUMBER</b>	<b>PROGRAM DISBURSEMENTS</b>
<b>U. S. DEPARTMENT OF EDUCATION (continued)</b>				
<b>Passed through Louisiana Department of Education (continued):</b>				
605 State Grants for Innovative Programs: Title V (2007-08)	84.298A	S298A70018	280880-37	1,955
629 Education Technology State Grants: Enhancing Education Through Technology (2008-09)	84.318X	S318X080018	280949-37	9,651
609 Enhancing Education Through Technology (2009-10)		S318X090018	281049-37	32,014
				<u>41,665</u>
646 Advanced Placement Test Fee Program: Advanced Placement Test Fee Program	84.330B	S330B080035	280926-37	18,088
603 English Language Acquisition Grants: Title III (2008-09)	84.365A	T365A080018	280960-37	13,777
603 Title III (2009-10)		T365A090018A	281060-37	7,273
				<u>21,050</u>
632 Mathematics and Science Partnerships: Math and Science Partnerships (2008-09)	84.366B	S366B080019	2809MP-37	145,502
612 Math and Science Partnerships (2009-10)		S366B090019	2810MP-37	17,454
642 Passed through Morehouse Parish School Board: Math and Science Partnerships (2007-08)		S366B070019	2808MP-34	39,315
				<u>202,271</u>
602 Improving Teacher Quality State Grants: Title II Part A (2008-09)	84.367A	S367A080017	280950-37	218,688
602 Title II Part A (2009-10)		S367A090017	281050-37	842,094
				<u>1,060,782</u>
611 ARRA - Title I Grants to Local Education Agencies	84.389A	S389A090018A	2809A1-37	1,839,341
531 ARRA - Special Education - Grants to States	84.391A	H391A090033	2809A1-37	2,230,278
533 ARRA - Special Education - Preschool Grants	84.392A	H392A090082	2809AP-37	111,654
649 ARRA - Enhancing Education Technology State Grants	84.386A	S386A090018	280959-37	117,367
655 ARRA - Education for Homeless Children & Youth	84.387A	S387A090019	2809H2-37	9,664
320 ARRA - State Fiscal Stabilization Fund - Education Grants	84.394A	S394A090019	2810AS-37	3,454,352
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>				<u><b>19,512,226</b></u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b>Passed through Louisiana</b>				
<b>Department of Education:</b>				
574 Temporary Assistance for Needy Families: After School For All (2008-09)	93.558B	G0501LATANF	2809OS-37	13,930
514 After School For All (2009-10)		G0902LATANF	2810OS-37	314,436
573 EMPLoY Reimbursement II		G0802LATANF	2809J2-37	19,154
573 Jobs for America's Graduates - TANF (I) Employ (2008-09)		G0802LATANF	2809JE-37	56,259
513 Jobs for America's Graduates - TANF (I) Employ (2009-10)		G0902LATANF	2810JE-37	50,000
523/563 Strategies to Empower People - STEP Program		G0902LATANF	2810EP-37	51,877
570 The Cecil J. Picard LA-4 Pre-Kindergarten Programs		G0902LATANF	281036-37	588,817
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<u><b>1,094,473</b></u>
<b>TOTAL EXPENDITURES OF CASH FEDERAL AWARDS</b>				<u><b>\$ 26,733,180</b></u>

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>C.F.D.A. NUMBER</b>	<b>FEDERAL GRANT NUMBER</b>	<b>PASS- THROUGH NUMBER</b>	<b>PROGRAM DISBURSEMENTS</b>
<b>NONCASH FEDERAL AWARDS</b>				
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>				
<b>Passed Through Louisiana Department of Agriculture:</b>				
<b>300 Food Donation (Commodities)</b>	10.550	SCH075		\$ <u>607,768</u>
<b>TOTAL EXPENDITURES OF NONCASH FEDERAL AWARDS</b>				<u>607,768</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ <u>27,340,948</u></b>

**OUACHITA PARISH SCHOOL BOARD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2010**

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Ouachita Parish School Board (the School Board) for the year ended June 30, 2010 and is presented on the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become both measurable and available to pay current period liabilities and expenditures when the related liability is incurred.

**Note 2 - Relationship of the Schedule of Expenditures of Federal Awards to the Financial Statements**

The following reconciliation is provided to help the reader of the School Board's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended June 30, 2010:

	Federal Programs	Other Federal Support	Total
Revenues:			
General Fund	\$ -	\$ 291,529	\$ 291,529
State Fiscal Stabilization Funds-Stimulus	3,454,352	-	3,454,352
School Food Services	5,796,476	607,768	6,404,244
Title I	7,105,095	-	7,105,095
IDEA B	5,854,764	-	5,854,764
Other Federal	4,218,021	-	4,218,021
Total Governmental Funds Revenues	26,428,708	899,297	27,328,005
Less NonExpenditure revenues	-	-	-
Total Governmental Funds Expenditures	26,428,708	899,297	27,328,005
Agency Fund Expenditures	12,943	-	12,943
Total Federal Expenditures	\$ 26,441,651	\$ 899,297	\$ 27,340,948

**THIS PAGE WAS INTENTIONALLY LEFT BLANK.**

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Section I – Summary of Auditor's Results**

**Financial Statements**

Type of Auditor's Report Issued: Unqualified

**Internal Control Over Financial Reporting**

Material Weakness(es) identified? X Yes      No

Significant Deficiency(s) identified not considered to be material weaknesses?      Yes X None Reported

Noncompliance material to financial statements noted?      Yes X No

**Federal Awards**

**Internal Control Over Major Programs**

Material weakness(es) identified?      Yes X No

Significant Deficiency(s) identified not considered to be material weakness(es)?      Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?      Yes X No

Dollar threshold used to distinguish between Type A and Type B programs  
\$820,228

Auditee qualified as low-risk auditee?      Yes X No



**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Identification of Major Programs**

<u>CFDA#</u>	<u>PROGRAM TITLE</u>
84.010A	Title I Grants to Local Educational Agencies
84.027A	Special Education-Grants to States
84.173A	Special Education-Preschool Grants
84.389A	ARRA-Title I Grants to Local Education Agencies
84.391A	ARRA-Special Education-Grants to States
84.392A	ARRA-Special Education-Preschool Grants
84.386A	ARRA-Enhancing Education Technology State Grants
84.387A	ARRA-Education for Homeless Children & Youth
84.394A	ARRA-State Fiscal Stabilization Funds-Education Grants

**Section II – Financial Statement Findings and Questioned Costs:**

**10-01 Local Government Budget Act**

**(First reported in 2008)**

**Finding**

The Local Government Budget Act provides, among other things, for the amendment of the budget when actual expenditures exceed budgeted amounts by 5% or more and that a budget should not be adopted wherein budgeted expenditures exceed estimated amounts available to fund them. In fiscal year 2010, the School Board has four special revenue funds that exceeded its budget by 5% of estimated revenues or expenditures which were not amended.

The West Ouachita Sales Tax Fund had budgeted expenditures of \$755,490 and actual expenditures of \$1,125,996 resulting in a \$370,506 (49%) unfavorable variance. It should be noted that this fund also had a \$270,878 favorable variance for revenues for an overall net \$118,503 unfavorable variance.

The Title I Programs had budgeted revenues of \$8,472,553 and actual revenues of \$7,105,095 for a \$1,367,458 unfavorable revenue balance. This fund is expenditure driven and therefore had a related \$1,367,458 favorable expenditure variance.

Special Education IDEA-B had budgeted revenues of \$7,552,311 and actual revenues of \$5,864,783 for a \$1,687,528 unfavorable revenue balance. This fund is expenditure driven and therefore had a related \$1,687,528 favorable expenditure variance.

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

State Grants had budgeted revenues of \$4,749,916 and actual revenues of \$4,300,366 for a \$449,550 unfavorable revenue balance. This fund is largely expenditure driven and therefore had a related \$438,771 favorable expenditure variance.

**Recommendation**

We recommend that the School Board and the business manager continue to work together to monitor the financial position and resources of all funds to provide for sound financial planning.

**Response**

West Ouachita Sales Tax Fund's expenditures exceeded budgeted expenditures due to the Board authorizing more school repairs than originally anticipated towards the end of the year and the budget was not amended to reflect this action.

The Title I and Special Education-IDEA B Funds variances were the result of timing differences in spending between fiscal years 2010 and 2011 associated with the American Recovery and Reinvestment Act (Stimulus Act). The Stimulus Act funds are authorized for spending over a 2-year award period, and consolidated 2-year budgets were prepared and submitted for these funds as required to the Louisiana Department of Education in the 10 fiscal year, and these budgets were subsequently adopted by the School Board. The negative variance in these program revenues is the result of the remaining budget balance of Stimulus funds available for spending in the second year of the 2-year award period.

The State Grants Fund's revenue variance was largely due to mid-year state funding cuts made to various state grant programs that were not adjusted on the final budget adopted by the School Board. Individual state grant program budgets were adjusted and approved by the state, but the cumulative affect of those cuts were not adjusted on the final budget adopted by the School Board. Management will more closely review and adjust state grant award budgets when mid-year state budget cuts are made, to ensure they are included on the final budget adopted by the School Board.

**10-02 Financial Reporting**

**(First reported in 2009)**

**Finding**

During the fiscal year 2010 audit, we noted where a \$4,199,451 item was reflected as a cash equivalent. However, upon further review, it was determined that the security's maturity date exceeded three months and therefore should have been classified as an investment.

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

We also noted a \$23,348 unreconciled difference on the School Board's master bank account. This bank account handles all accounts payable and payroll activities as well as significant revenue transactions. The June 30, 2010 balance for this account was \$7,841,339 (17.5%) of the School Board's \$44,804,290.

**Recommendation**

We recommend that the Business Office carefully monitor such cash equivalents versus investment classifications to ensure proper classification on the financial statements. Additionally, we recommend that the source of the unreconciled difference on the master account's bank reconciliation be determined and corrected as necessary.

**Response**

Management of the School Board moved the item from Cash and Cash Equivalents to Investments after reviewing the security in question. Management will more carefully review maturity dates at the time of purchase to ensure investments are properly classified on the balance sheet.

As far as the master account's bank reconciliation variance, we will determine the source of the error and correct in fiscal year 2011.

**Section III – Federal Awards Findings and Questioned Costs:**

None reported.

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

The following is a summary of the status of the prior year findings included in Luffey Huffman, Ragsdale & Soignier (APAC) audit report dated December 18, 2009, in connection with the audit of the financial statements of the Ouachita Parish School Board (the School Board) as of and for the year ended June 30, 2009.

**09-01 Local Government Budget Act**

**Finding**

In fiscal year 2009, the School Board had one special revenue fund that exceeded its budget by 5% of estimated expenditures which were not amended. The West Ouachita Sales Tax Fund had budgeted expenditures of \$68,800 and actual expenditures of \$185,040 resulting in a \$116,240 (169%) unfavorable variance. Overall, this fund had a net increase in fund balance by \$1,763,696 from June 30, 2008's balance \$3,918,347 to June 30 2009's balance of \$5,682,043.

**Status**

We are monitoring the budgets and have amended the budget for changes in actual and budgeted amounts.

Also see related finding 10-01.

**09-02 Internal controls over Accounts Payable and Payroll**

**Finding**

During the review of internal controls, we noted where the School Board does not have adequate controls over certain areas of accounts payable.

Accounts Payable – For computer-generated checks, the accounts payable accountant prepares checks, submits checks for printing including the computer generated signature, receives the checks after printing and mails the checks. Additionally, the accounts payable accountant can set up vendors or change vendor information without anyone's approval.

Payroll – Payroll can independently set up an employee without review by the Personnel Department which could result in an unauthorized person being set up. Additionally, payroll changes are not reviewed by someone independent of the Payroll accountant entering the data.

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

**Status**

Accounts payable is no longer setting up vendors nor can they change vendor files. The Purchasing Office now sets up vendors.

Payroll is still setting up employees, but we now have Personnel verifying all new employees set up during the month.

**09-03 Financial Reporting**

**Finding**

Cash - On June 28, 2009, the School Board had requested that a certain amount of investments be sold. All but \$900,000 had been sold as of June 30, 2009. The remaining \$900,000 was sold on July 1, 2009 but was reported in fiscal year 2009 (a one day error) which resulted in an over-reporting of cash and under-reporting investments. Another reconciliation error occurred when the School Board purchased a \$1,467,464 certificate of deposit on June 24, 2009. The expected entries on the School Board were recorded. However, the bank did not withdraw the funds from the School Board's checking account until July 10, 2009. This bank error led to an error on the bank reconciliation in which the \$1,467,464 was not noted as being outstanding but another check for \$1,551,425 was shown as outstanding but was instead a July 2009 check and therefore was not applicable to the June 2009 reconciliation. As a result, the bank reconciliation was shown with an unknown reconciling difference of \$97,479. The actual amount of cash per the general ledger was correctly stated related to this issue. Once these two items were corrected, the unknown reconciling difference was \$13,912.

Capital Assets - During fiscal year 2009, the State of Louisiana's Department of Education informed all school boards to change its capitalization policy for capital assets from \$1,000 to \$5,000 per item effective July 1, 2008. This change was made by the School Board on a retroactive basis resulting in removing all assets below \$5,000 which totaled \$4,522,802 (net). However, this change should have been made on a prospective basis meaning that all purchases on or after July 1, 2008 should be capitalized based on the \$5,000 threshold. As a result, the financial statements were adjusted to add back the assets below \$5,000 that had been removed resulting in additions to capital assets of \$4,522,802 and an addition to depreciation expense.

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

**Status**

The issue with cash was a bank error that was not caught until later. We are monitoring the bank reconciliations to help ensure this does not occur again.

The issue with capital assets dealt with a change in capitalization policy that was not accounted in accordance with GAAP. In the future, if there are other accounting changes, we will try to ensure that we follow GAAP when making the change.

Also see related finding 10-02.

**Management Letter**

**Documentation of Internal Control**

**Finding**

The School Board did not have adequate documentation of internal control over financial reporting using the Committee of Sponsoring Organizations (COSO) framework so that the School Board could more easily discharge its responsibility to design and implement controls and monitor those controls for effectiveness over time.

**Status**

We have talked with two CPAs about helping to write an accounting procedures/internal control manual. Neither of the CPAs were able to help us write this manual. We plan to make some accounting personnel changes in August 2010 that we hope will free our staff up to have the time to write an accounting manual. This will take many months to write as our staff's time is very limited.

THIS PAGE WAS INTENTIONALLY LEFT BLANK.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Miscellaneous Statistical Data  
School Board Members' Compensation**

**June 30, 2010**

The schedule of compensation paid to School Board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Louisiana Legislature.

The compensation of the School Board members is included in the general administration expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, the members of the School Board received \$800 per month. Additionally, the president received \$100 per month for exercising the duties of his office.

<u>Board Member</u>	<u>District</u>	<u>Amount</u>
Mr. Jack White, President	A	\$ 10,800
Mr. Scott Robinson	B	9,600
Mr. A. R. "Red" Sims	C	9,600
Mr. Jerry R. Hicks, Vice President	D	9,600
Rev. John R Russell	E	9,600
Mr. Carey Walker	F	9,600
Ms Susan Spence	G	9,600
Total		<u>\$ 68,400</u>



# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Philip A. Ragsdale, CPA  
David Ray Soignier, CPA, MBA

John Herman, CPA  
Lynn Andries, CPA  
Esther Atteberry, CPA  
Sandra Harrington, CPA

## MANAGEMENT LETTER

### **Ouachita Parish School Board Monroe, Louisiana**

In planning and performing our audit of the financial statements of the Ouachita Parish School Board (the School Board) for the year ended June 30, 2010, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 27, 2010 on the financial statements of the School Board.

### **Documentation of Internal Control**

#### ***Finding:***

Management of the School Board is charged with establishing and maintaining internal control and to assess internal control for effectiveness in design and operation. Those components are outlined in the Committee of Sponsoring Organizations of the Treadway Commission Report (commonly referred to as the COSO Report, or COSO) and consist of the Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. While certain elements of the components of internal control exist and certain aspects of the control activities have been documented, the School Board does not possess adequate written documentation of all components of internal control over School Board operations.

For management and those charged with governance to properly discharge their responsibility to establish and maintain internal control, there must exist a level of documentation of internal control sufficient to allow them to assess operating effectiveness and design, not just at a point in time, but over a period of time. As circumstances change, controls should be re-evaluated for ongoing effectiveness.

**Ouachita Parish School Board  
Monroe, Louisiana  
Management Letter  
Page 2 of 2**

***Recommendation:***

We recommend that management of the School Board document the internal control over financial reporting using the COSO framework in order that they may more easily discharge their responsibility to design and implement controls and monitor those controls for effectiveness over time. As part of this review and documentation, the School Board should utilize the *Checklist of Best Practices in Government* prepared by the Louisiana Legislative Auditor's office.

***Management's Corrective Action Plan:***

We are in the process of documenting our internal controls over the entire accounting process, to include controls over financial reporting. When the controls have been documented, we will review the controls we currently have and make needed changes for control weaknesses. When evaluating the controls, we will take into consideration the COSO framework and the *Checklist of Best Practices in Government* prepared by the Louisiana Legislative Auditor's office.

*Huffman, Huffman, Royal, & Squires*

(A Professional Accounting Corporation)

**December 27, 2010**

**Ouachita Parish School Board  
Monroe, Louisiana**

**Independent Accountants' Report  
On Applying Agreed-Upon Procedures**

**For The Year Ended June 30, 2010**

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA**

**AGREED-UPON PROCEDURES**

**JUNE 30, 2010**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Independent Accountants' Report -----	1
<b>SCHEDULES REQUIRED BY STATE LAW</b>	
Schedule 1 – General Fund Instructional and Support Expenditures and Certain Local Revenue Sources -----	6
Schedule 2 – Education Levels of Public School Staff -----	7
Schedule 3 – Number and Type of Public Schools -----	8
Schedule 4 – Experience of Public Principals and Full-Time Classroom Teachers -----	9
Schedule 5 – Public School Staff Data -----	10
Schedule 6 – Class Size Characteristics -----	11
Schedule 7 – Louisiana Educational Assessment Program (LEAP) for the 21 <sup>st</sup> Century -----	12
Schedule 8 – The Graduation Exit Exam for the 21 <sup>st</sup> Century -----	14
Schedule 9 – The iLEAP Tests -----	15

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Philip A. Ragsdale, CPA  
David Ray Soignier, CPA, MBA

John Herman, CPA  
Lynn Andries, CPA  
Esther Atteberry, CPA  
Sandra Harrington, CPA

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES FOR THE YEAR ENDED JUNE 30, 2010

### OUACHITA PARISH SCHOOL BOARD MONROE, LOUISIANA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Ouachita Parish School Board (the School Board) and the Legislative Auditor, State of Louisiana (collectively, the Specified Users), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Ouachita Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the Specified Users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules required by state law and are as follows:

#### General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

**Ouachita Parish School Board**  
**Monroe, Louisiana**

*Education Levels of Public School Staff (Schedule 2)*

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to School Board supporting payroll records as of October 1st.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 35 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

*Number and Type of Public Schools (Schedule 3)*

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

*Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)*

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

*Public School Staff Data (Schedule 5)*

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 35 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

**Ouachita Parish School Board  
Monroe, Louisiana**

*Class Size Characteristics (Schedule 6)*

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

*Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)*

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

*The Graduation Exit Exam for the 21st Century (Schedule 8)*

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

*The iLEAP Tests (Schedule 9)*

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Our twelve procedures enumerated above did not disclose any exceptions.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Specified Users, the Louisiana Department of Education and the Louisiana Legislature and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Huffman, Huffman, Regalado, & Soignier*

(A Professional Accounting Corporation)

December 27, 2010

**OUACHITA PARISH SCHOOL BOARD**  
**Monroe, Louisiana**

**Schedules Required by State Law**  
**Fiscal Year Ended June 30, 2010**

**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments in real property, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the AFSR.

**Schedule 4 - Experience of Public Principals and Full-time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the AFSR.

**Schedule 5 - Public School Staff Data**

This schedule includes average classroom teacher's salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the AFSR.

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).



**OUACHITA PARISH SCHOOL BOARD  
Monroe, Louisiana**

**Schedules Required by State Law  
Fiscal Year Ended June 30, 2010**

**Schedule 7 - Louisiana Educational Assessment Program (LEAP) for the 21<sup>st</sup> Century**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 8 - The Graduation Exit Exam for the 21<sup>st</sup> Century**

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 9 - The iLEAP Tests**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for this district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

**OUACHITA PARISH SCHOOL BOARD**  
**Monroe, Louisiana**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
Fiscal Year Ended June 30, 2010**

**General Fund Instructional and Equipment Expenditures****General Fund Instructional Expenditures:****Teacher and Student Interaction Activities:**

Classroom-Teacher Salaries	\$ 40,005,168	
Other Instructional Staff Activities	1,665,381	
Employee Benefits	15,757,203	
Purchased Professional and Technical Services	115,723	
Instructional Materials and Supplies	1,497,100	
Instructional Equipment	51,255	

Total Teacher and Student Interaction Activities \$ 59,091,830

**Other Instructional Activities**

38,397

**Pupil Support Activities**

4,017,890

Less: Equipment for Pupil Support Activities

-

Net Pupil Support Activities

4,017,890

**Instructional Staff Services**

3,580,944

Less: Equipment for Instructional Staff Services

-

Net Instructional Staff Services

3,580,944

**School Administration:**

9,618,679

Less: Equipment for Instructional Staff Services

-

Net School Administration

9,618,679

Total General Fund Instructional Expenditures

\$ 76,347,740

**Total General Fund Equipment Expenditures**

\$ 227,355

**Certain Local Revenue Sources****Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$ 2,599,577
Renewable Ad Valorem Tax	12,119,581
Debt Service Ad Valorem Tax	5,287,558
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	515,735
Sales and Use Taxes	35,355,711
Total Local Taxation Revenue	\$ 55,878,162

**Local Earnings on Investment in Real Property:**

Earnings from 16th Section Property \$ 22,612

Earnings from Other Real Property -

Total Local Earnings on Investment in Real Property \$ 22,612

**State Revenue in Lieu of Taxes:**

Revenue Sharing - Constitutional Tax	\$ 187,877
Revenue Sharing - Other Taxes	630,368
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ 818,245

Nonpublic Textbook Revenue

\$ 40,507

Nonpublic Transportation Revenue

\$ -

**OUACHITA PARISH SCHOOL BOARD**  
**Monroe, Louisiana**

**Education Levels of Public School Staff**  
**As of October 1, 2009**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	5	0.4%	-	0.0%	-	0.0%	-	-
Bachelor's Degree	756	57.6%	10	83.3%	-	0.0%	-	-
Master's Degree	371	28.3%	2	16.7%	24	31.6%	-	-
Master's Degree + 30	164	12.5%	-	0.0%	50	65.8%	-	-
Specialist in Education	8	0.6%	-	0.0%	-	0.0%	-	-
Ph. D. or Ed. D.	9	0.7%	-	0.0%	2	2.6%	-	-
<b>Total</b>	<b>1,313</b>	<b>100.0%</b>	<b>12</b>	<b>100.0%</b>	<b>76</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>

**Schedule 3**

**OUACHITA PARISH SCHOOL BOARD  
Monroe, Louisiana**

**Number and Type of Public Schools  
Fiscal Year Ended June 30, 2010**

<u>Type</u>	<u>Number</u>
Pre K-K	1
Elementary	20
Middle/Jr. High	7
Secondary	4
Combination	2
Alternative (6-12 only)	1
<b>Total</b>	<u><u>35</u></u>

**OUACHITA PARISH SCHOOL BOARD**  
**Monroe, Louisiana**

**Experience of Public Principals and Full-time Classroom Teachers**  
**As of October 1, 2009**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	3	4	9	7	19	42
Principals	-	-	-	2	4	8	20	34
Classroom Teachers	95	124	336	177	184	150	259	1,325
<b>Total</b>	95	124	339	183	197	165	298	1,401

**OUACHITA PARISH SCHOOL BOARD  
Monroe, Louisiana**

**Public School Staff Data  
Fiscal Year Ended June 30, 2010**

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC and Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$49,138	\$48,812
Average Classroom Teachers' Salary Excluding Extra Compensation	\$47,712	\$47,399
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,316	1,290

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

**OUACHITA PARISH SCHOOL BOARD**  
**Monroe, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2009**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number
Elementary	51.9%	2,372	44.6%	2,039	3.5%	160	0.0%	-
Elementary Activity Classes	44.3%	35	50.6%	40	5.1%	4	0.0%	-
Middle/Jr. High	70.0%	1,025	26.5%	388	3.5%	51	0.0%	-
Middle/Jr. High Activity Classes	86.1%	327	8.9%	34	3.4%	13	1.6%	6
High	73.8%	1,627	24.1%	532	2.1%	47	0.0%	-
High Activity Classes	88.2%	381	5.3%	23	3.5%	15	3.0%	13
Combination	99.5%	205	0.5%	1	0.0%	-	0.0%	-
Combination Activity Classes	100.0%	7	0.0%	-	0.0%	-	0.0%	-
Total	100.0%	3	0.0%	-	0.0%	-	0.0%	-

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**OUACHITA PARISH SCHOOL BOARD**  
Monroe, Louisiana

**Louisiana Educational Assessment Program (LEAP) for the 21st Century**  
**Three Fiscal Years Ended June 30, 2010**

District Achievement Level Results	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	114	8	64	4	87	6	109	7	72	5	105	7
Proficient	333	22	415	28	412	29	386	26	260	17	344	25
Basic	712	48	744	49	667	48	676	46	795	53	671	48
Approaching Basic	209	14	224	15	176	13	203	14	257	17	204	15
Unsatisfactory	113	8	61	4	59	4	107	7	124	8	77	5
<b>Total</b>	<b>1,481</b>		<b>1,508</b>		<b>1,401</b>		<b>1,481</b>		<b>1,508</b>		<b>1,401</b>	

District Achievement Level Results	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	66	4	173	11	52	4	59	4	56	4	36	3
Proficient	304	21	334	22	354	25	320	22	346	23	292	21
Basic	739	50	691	46	691	49	827	56	773	51	723	52
Approaching Basic	290	20	240	16	251	18	174	12	231	15	234	17
Unsatisfactory	83	5	69	5	51	4	102	7	102	7	114	8
<b>Total</b>	<b>1,482</b>		<b>1,507</b>		<b>1,399</b>		<b>1,482</b>		<b>1,508</b>		<b>1,399</b>	

Continued



**OUACHITA PARISH SCHOOL BOARD**  
Monroe, Louisiana

**Louisiana Educational Assessment Program (LEAP) for the 21st Century**  
**Three Fiscal Years Ended June 30, 2010**

District Achievement Level Results	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	59	4	32	2	16	1	76	6	130	10	37	3
Proficient	277	21	299	23	284	21	86	6	116	9	80	6
Basic	620	46	675	51	653	49	785	58	710	54	810	61
Approaching Basic	319	24	271	21	314	24	275	20	242	18	287	22
Unsatisfactory	68	5	43	3	66	5	122	9	119	9	118	9
<b>Total</b>	<b>1,343</b>		<b>1,320</b>		<b>1,333</b>		<b>1,344</b>		<b>1,317</b>		<b>1,332</b>	

District Achievement Level Results	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	41	3	97	7	10	1	32	2	37	3	11	1
Proficient	273	20	314	24	342	26	218	16	223	17	194	15
Basic	594	44	516	39	526	40	698	52	701	53	681	51
Approaching Basic	319	24	298	23	330	25	246	18	245	19	317	24
Unsatisfactory	113	8	90	7	120	9	144	11	109	8	125	9
<b>Total</b>	<b>1,340</b>		<b>1,315</b>		<b>1,328</b>		<b>1,338</b>		<b>1,315</b>		<b>1,328</b>	

Concluded

**OUACHITA PARISH SCHOOL BOARD**  
Monroe, Louisiana

**The Graduation Exit Exam for the 21st Century**  
**Three Fiscal Years Ended June 30, 2010**

District Achievement Level Results	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>												
Advanced	16	1	30	3	11	1	132	12	193	17	151	13
Proficient	181	16	166	15	147	13	249	22	186	16	200	18
Basic	591	52	590	52	685	52	483	43	523	46	438	39
Approaching Basic	252	22	262	23	234	21	147	14	160	14	165	15
Unsatisfactory	89	8	95	8	151	13	120	11	77	7	170	15
<b>Total</b>	<b>1,129</b>		<b>1,143</b>		<b>1,228</b>		<b>1,131</b>		<b>1,139</b>		<b>1,124</b>	

District Achievement Level Results	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>												
Advanced	51	5	46	5	38	3	7	1	11	1	14	1
Proficient	198	18	217	22	185	17	125	12	108	11	112	10
Basic	484	45	406	41	475	43	636	59	564	57	640	58
Approaching Basic	264	24	220	22	257	23	224	21	181	18	191	17
Unsatisfactory	82	8	102	10	140	13	87	8	127	13	138	13
<b>Total</b>	<b>1,079</b>		<b>991</b>		<b>1,095</b>		<b>1,079</b>		<b>991</b>		<b>1,095</b>	

**OUACHITA PARISH SCHOOL BOARD**  
**iLEAP Tests**  
**Three Fiscal Years Ended June 30, 2010**

**iLEAP Tests**

District Achievement Level Results	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	92	6	94	6	76	5	61	4
Mastery	353	23	282	19	253	17	298	20
Basic	729	48	730	48	717	48	768	51
Approaching Basic	237	16	248	16	352	23	242	16
Unsatisfactory	98	6	155	10	111	7	140	9
<b>Total</b>	<b>1509</b>		<b>1509</b>		<b>1509</b>		<b>1509</b>	

District Achievement Level Results	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	67	5	114	8	51	4	77	6
Mastery	306	23	210	16	250	19	290	22
Basic	669	50	701	52	645	48	682	51
Approaching Basic	221	16	177	13	311	23	199	15
Unsatisfactory	79	6	140	10	85	6	94	7
<b>Total</b>	<b>1342</b>		<b>1342</b>		<b>1342</b>		<b>1342</b>	

District Achievement Level Results	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	58	4	116	8	56	2	73	5
Mastery	296	21	207	15	270	20	204	15
Basic	733	53	746	54	692	50	660	48
Approaching Basic	206	15	176	13	258	19	290	21
Unsatisfactory	89	6	137	10	104	8	153	11
<b>Total</b>	<b>1382</b>		<b>1382</b>		<b>1380</b>		<b>1380</b>	

District Achievement Level Results	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	120	9	65	5	33	2	27	2
Mastery	287	21	153	11	240	18	174	13
Basic	662	49	757	56	656	49	730	54
Approaching Basic	217	16	230	17	286	21	255	19
Unsatisfactory	60	4	141	10	129	10	155	12
<b>Total</b>	<b>1346</b>		<b>1346</b>		<b>1344</b>		<b>1341</b>	

District Achievement Level Results	English Language Arts 2008		Mathematics 2008	
	Number	Percent	Number	Percent
<b>Grade 9</b>				
Advanced	23	2	119	9
Mastery	240	18	157	15
Basic	774	58	703	53
Approaching Basic	244	18	215	16
Unsatisfactory	49	4	134	10
<b>Total</b>	<b>1330</b>		<b>1328</b>	

Continued

**OUACHITA PARISH SCHOOL BOARD**  
**ILEAP Tests**  
**Three Fiscal Years Ended June 30, 2010**

**ILEAP Tests**

District Achievement Level Results	English Language Arts 2009		Mathematics 2009		Science 2009		Social Studies 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	100	7	173	12	83	6	25	2
Mastery	417	28	361	24	315	21	367	25
Basic	663	45	652	44	683	46	713	48
Approaching Basic	202	14	211	14	308	21	252	17
Unsatisfactory	92	6	77	5	84	6	114	8
<b>Total</b>	<b>1474</b>		<b>1474</b>		<b>1473</b>		<b>1471</b>	

District Achievement Level Results	English Language Arts 2009		Mathematics 2009		Science 2009		Social Studies 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	70	5	124	9	85	6	64	5
Mastery	335	25	197	14	278	20	280	21
Basic	706	52	721	53	672	49	689	51
Approaching Basic	195	14	201	15	259	19	231	17
Unsatisfactory	57	4	121	9	69	5	99	7
<b>Total</b>	<b>1363</b>		<b>1364</b>		<b>1363</b>		<b>1363</b>	

District Achievement Level Results	English Language Arts 2009		Mathematics 2009		Science 2009		Social Studies 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	52	4	126	9	62	5	94	7
Mastery	268	20	240	18	284	21	176	13
Basic	786	58	768	56	623	46	693	51
Approaching Basic	188	14	137	10	289	21	280	21
Unsatisfactory	66	5	89	7	99	7	114	8
<b>Total</b>	<b>1360</b>		<b>1360</b>		<b>1357</b>		<b>1357</b>	

District Achievement Level Results	English Language Arts 2009		Mathematics 2009		Science 2009		Social Studies 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	86	6	128	9	64	5	47	3
Mastery	293	21	228	16	331	24	279	20
Basic	702	50	719	51	615	44	678	48
Approaching Basic	237	17	208	15	282	20	288	21
Unsatisfactory	91	6	126	9	115	8	111	8
<b>Total</b>	<b>1409</b>		<b>1409</b>		<b>1407</b>		<b>1403</b>	

District Achievement Level Results	English Language Arts 2009		Mathematics 2009	
	Number	Percent	Number	Percent
<b>Grade 9</b>				
Advanced	10	1	108	8
Mastery	223	18	241	19
Basic	754	59	615	48
Approaching Basic	236	19	189	15
Unsatisfactory	51	4	122	10
<b>Total</b>	<b>1274</b>		<b>1275</b>	

Continued

**OUACHITA PARISH SCHOOL BOARD**  
**ILEAP Tests**  
**Three Fiscal Years Ended June 30, 2010**

**ILEAP Tests**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	83	5	105	7	77	5	53	3
Mastery	397	26	388	25	287	19	305	20
Basic	665	44	649	43	713	47	754	50
Approaching Basic	244	16	244	16	348	23	265	17
Unsatisfactory	134	9	137	9	98	6	146	10
<b>Total</b>	<b>1523</b>		<b>1523</b>		<b>1523</b>		<b>1523</b>	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	70	5	115	8	67	5	119	8
Mastery	362	26	241	17	320	23	207	15
Basic	645	46	723	51	628	44	685	48
Approaching Basic	263	19	198	14	326	23	261	18
Unsatisfactory	75	5	138	10	74	5	142	10
<b>Total</b>	<b>1415</b>		<b>1415</b>		<b>1415</b>		<b>1414</b>	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	82	6	78	6	62	4	120	9
Mastery	377	27	232	17	288	21	196	14
Basic	670	48	822	59	644	46	645	46
Approaching Basic	196	14	161	12	307	22	297	21
Unsatisfactory	64	5	97	7	88	6	131	9
<b>Total</b>	<b>1389</b>		<b>1390</b>		<b>1389</b>		<b>1389</b>	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	115	8	92	6	68	5	38	3
Mastery	272	19	214	15	331	23	266	19
Basic	699	49	801	56	608	43	772	54
Approaching Basic	279	20	209	15	312	22	199	14
Unsatisfactory	59	4	107	8	104	7	148	10
<b>Total</b>	<b>1424</b>		<b>1423</b>		<b>1423</b>		<b>1423</b>	

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
	Number	Percent	Number	Percent
<b>Grade 9</b>				
Advanced	40	3	151	12
Mastery	231	18	177	14
Basic	706	56	664	53
Approaching Basic	248	20	153	12
Unsatisfactory	28	2	108	9
<b>Total</b>	<b>1253</b>		<b>1253</b>	

Concluded